

## **APPENDIX I**

### **SECTOR: Security and Law Enforcement**

The Ministry of Defense (MoD) and the Ministry of Interior (MoI) have assumed greater responsibility for security operations since the April 2007. Military and Police operations conducted by independent Iraqi forces are becoming an effective reality. More than 268,400 military and police personnel have now been trained and equipped, with an additional 52,000 due by September 30. As of June 26, 114 Iraqi Army, Special Operations and Strategic Infrastructure Battalions and 28 police battalions conduct counter-insurgency operations. Eighty-one Iraqi Army and Special Operations battalions are capable of operating "in the lead" or independently. Sixty nine Iraqi Army battalions and two police battalions control their own areas of responsibility. The MoD has accepted the lead in contracting basic logistical sustainment efforts (life support) for the various military installations throughout Iraq.

Significant advances have been made in the area of institutional training by both the MoI and MoD. The MoI 2006 Training Plan establishes a common training standard throughout the Iraqi Police Service (IPS) and places great emphasis on human rights, ethics and the rule of law. Based on current plans, the IPS's nine police academies and the National Police and Department of Border Enforcement academies will transfer to Iraqi control by the end of the year. The development of professional ethics (the United Nations code of Conduct for Law Enforcement Officials) is included in the basic training syllabus for Iraq's police forces. This is considered essential for a relationship between ethical behavior and effective police service. The Center for Professional Ethics and Leadership will be established by the end of 2006.

The MoD is also taking greater responsibility for training and developing its forces. Force Structure and policies are being developed and defined to meet the training needs of the Iraqi Armed Forces (IAF) out to 2011. The development of the Iraqi Training Doctrine Command (ITDC) development continues to move forward. The goal is to have the ITDC fully established by January 1, 2007. Many of the IAF's training battalions, regional training centers and specialist schools are well established and operating with minimal Coalition training support. The Iraqi Center for Military Values and Principles and Leadership (ICMVPL) was established in February. The ICMVPL will ensure that the IAF conforms to the values and standards of basic human rights and the laws. To date it has designed a program of instruction (POI) which will ensure that the subject is included in all institutional, individual and collective training.

### **Ministry of Interior Forces Overview**

The Ministry of Interior (MoI) has approximately 152,300 trained and equipped personnel. Its civil security force structure objective is 188,200 by the end of 2006. This force structure plan will generate Iraqi police forces capable in the current counterinsurgency (COIN) environment, as well as orient the MoI for the future. MoI forces consist of the Iraqi Police Service, including the former Iraqi Highway Patrol, National Police (formerly Special Police,



comprised of the Police Commandos, the Public Order Police and the Mechanized Brigade), Emergency Response Unit, the Department of Border Enforcement and the Center for Dignitary Protection. The Civilian Police Assistance Training Team (CPATT) continues to train, equip and professionalize the Iraqi police forces. CPATT's MoI Transition Team (MoI-TT) has 78 personnel. CPATT continues to concentrate on the development of MoI's capability to support and direct its forces.

**Iraqi Police Service:** During the "Year of the Police," concerted efforts are being made to increase the training capacity of the Iraqi Police Forces. To date, over 107,000 police have been trained and equipped and more than 9,500 recruits completed a ten-week Basic Police Academy program during this quarter. Additionally, nearly 600 recruits graduated from the Transition Integration Program (TIP.). This three-week course is designed as a refresher and provides rule of law training to former regime police that have been rehired. To establish Iraqi ownership, increased emphasis has been placed on developing Iraqi Police instructors; the Iraqi Police instructor cadre reached 80% of the goal of 981. Over 680 Iraqi instructors are currently teaching in the basic police program. During late May, there were over 7,300 recruits in training. We continue to focus on leadership and professional development of the police force. The Baghdad Police College's six-month Police Officers' Academy graduated 285 new police lieutenants on March 30. 336 new Police lieutenants are enrolled in the nine month course, which started April 16. A three-year college is expected to commence in October with up to 1,000 new officer candidates. A "Sergeants to Officer" course started with 100 students which graduated March 30. The second course began in April. All academy recruiting responsibilities have transitioned to the MOI. The Iraqi Police Academies are on track to transition to MoI responsibility by year end.

**Border Forces:** During this quarter, the Department of Border Enforcement (DBE) continues to show progress towards Iraqi control of the borders. The DBE has over 21,500 trained and equipped personnel. These forces are organized into five regions, 12 brigades and 38 battalions. Progress in construction of border forts has significantly improved Iraqi coverage of the borders. We will continue to place emphasis on the development of Iraq's operational capability to secure its own borders. The building of the DBE communication architecture is progressing and on track to be completed by August. Tactical integration is beginning to pay dividends by achieving layered security on the Syrian Border. The junior officer and non-commissioned officer's "Train the Trainer" course was completed with 9 students graduating. These students will teach this course at the three regional training academies. The DBE has partnered with twenty-six eleven-person Coalition teams to facilitate the transition from Coalition to Iraqi control of the borders.

**National Police:** Approximately 22,000 National Police (formerly Special Police) have been trained and equipped, and continue to improve their abilities as a national, rapid-response force capable of countering armed insurgency, providing support to local civil security forces and operating as a "bridging" force between Iraqi Army and regular Provincial/Iraqi Police. The 1<sup>st</sup> and 2<sup>nd</sup> National Police (NP) Divisions (formerly the Command and Public Order Division) have standardized personnel and equipment authorizations and are working to standardize their Mission Essential Tasks (MET) to focus on civil support operations. The NP Divisions have reached their authorized number of 2,000 personnel and they continue to



train, equip and deploy police forces to fill existing units. The MoI plans to merge the 1<sup>st</sup> Mechanized Brigade into the 1<sup>st</sup> and 2<sup>nd</sup> NP Divisions. This merger will enhance the National Police's mobility and survivability when manning checkpoints or conducting patrols. Professional development and leadership have been emphasized through a senior leadership seminar. This ten-course program is centered around Iraqi law, democratic policing techniques and the National Police Leadership Academy program of instruction. Over 160 sergeants and junior officers graduated courses at the Academy this quarter. Diversity of the National Police continues to improve with over 1,100 non-Shia graduating from the basic course.

**Ministerial Capacity:** The MoI continues to move forward in developing plans and policies that will support mission success in the future. The Minister signed and published a Strategic Vision document for the ministry. Deputy Ministers have been directed to prepare 5-year plans. These plans will assist MoI in instituting a professional development system that trains and mentors current and future generations of Iraqi leaders to support and promote moral character and integrity in service to the Iraqi people. The Ministry recently updated its police recruiting and hiring directive to ensure that current hiring practices and policies are conducted fairly. The finance office is developing and working with the International Monetary Fund's application of the Financial Management Information System (FMIS). Direct vertical and lateral communication among the Minister and Deputies has improved. Cooperation with other ministries is improving, particularly with the Ministry of Construction and Housing and the Ministry of Finance.

### **Ministry of Defense Forces Overview**

Ministry of Defense (MoD) forces currently include over 116,100 personnel serving in the Iraqi Army (IA), Iraqi Special Operations Forces (ISOF), Strategic Infrastructure Battalions (SIBs), Navy, Marines and Air Force. One hundred-six Iraqi Army and Special Operations battalions are now conducting counter-insurgency operations with 81 battalions assessed as capable of operating "in the lead" or independently. Sixty-nine MoD battalions control their own areas of responsibility. Combat support and combat service support (CS/CSS) units continue to be generated to provide critical combat enablers; there are eight CS/CSS and three training units currently operational and supporting Iraqi combat troops with another five expected to be operational within the next four months. SIBs remain focused on securing critical oil and electricity infrastructure. They continue to be supplied and trained according to a phased plan. There are currently eight operational SIBs.

**Logistics Support:** This quarter has witnessed significant moves in transitioning capability to the Iraqi Armed Forces (IAF). During May the Iraqi Ministry of Defense (MoD) issued life support contracts for over 40 locations. The Coalition is providing assistance in managing their implementation.

During June, five regional support units (RSUs) had their supply and maintenance sustainability significantly improved by the arrival of trained IAF supply and maintenance personnel, who, with Coalition training team support, will commence the process of transitioning the RSUs to IAF control. This process commenced at An Numaniyah in early



June, the success of this RSU, will form a test-case for transition of the remaining four RSUs. A total of four Motor Transport Regiments (MTRs) have transitioned to Corps control and have commenced operational missions and supply sustainability exercises. The remaining five MTRs are undergoing force generation and are expected to be operational by second half of 2006. In July, the national maintenance contractor will commence operations from the Taji National Depot (TND) class IX warehouse. This USG-funded contract will provide the IAF an elemental 4th line transportation capability.

**Training:** The Iraqi Armed Forces training system is made up of nearly thirty schools designed to train basic recruits, teach specialty skills and provide professional development and leadership skills. The basic training system remains under the command of the Iraqi Training Brigade and includes three Iraqi Training Battalions. New recruits attend a five-week program of instruction at either Kirkush or Numaniyah Military Training Base. Upon graduation, recruits receive an additional three to seven weeks of specialized training depending upon their military occupational skill assignment. This specialized training develops infantry, supply, armor, communications, administration, transportation, maintenance and military police skills, among others. Training initiatives such as the Military Intelligence School, Signal School, Iraqi Army Service and Support Institute (IASSI) and Engineer School have been implemented and continue to graduate personnel. A total of 1921 personnel have been trained in these critical skills.

A system of Regional Training Centers (RTCs) and the Non-Commissioned Officer Academy focus on junior leader development. The newly piloted Sergeants Major Course and Chief Warrant Officer Course have been added to the NCO Professional Education System. Three Iraqi Military Academies at Zakho, Qualachulon and ar-Rustimiyah are conducting officer training. The one-month Former Officer Course (FOC) continues to emphasize human rights, ethics and COIN operations. 1,032 personnel are anticipated to complete the FOC program this reporting period with another 420 in the next reporting period. Progress continues on the development of an Iraqi Armed Forces Center for Ethics and Leadership.

**Air Force:** The Iraqi Air Force (IqAF) has approximately 600 trained and equipped personnel staffing six squadrons: two helicopter battlefield mobility squadrons, two air surveillance squadrons, one helicopter refresher training squadron and one air transport. Since the last report, the 23<sup>rd</sup> Transport Squadron's three C-130E aircraft completed their isochronal (major inspection on the aircraft-expensive and intensive) inspections at Abu Dhabi and are moving troops and equipment regularly. The 16 Hueys are currently being upgraded to Huey II's on the ARINC contract in Ozark, Alabama and should be back in country by January 2007. Six CH-2000s are fully operational and flying daily missions from Kirkuk Air Base. The Iraqis are beginning to train on the Mi-17 helicopter. In addition, the Iraqi Air Force identified its top 5 proposed candidate suppliers for Intelligence, Surveillance and Reconnaissance (ISR) aircraft, and is expected to make a choice of the ISR platform this quarter.

**Navy and Marine Operations:** Iraqi Navy and Marines (IqN/M), in conjunction with Coalition maritime forces, conduct offshore oil platform security, anti-smuggler, anti-terrorist



and anti-piracy operations in the Northern Arabian Gulf (NAG). IqN/M manpower is approximately 800 personnel with expected growth to 1,100 by the end of Fiscal Year 2006. Two boat squadrons are currently operational; however maintaining these squadrons' mission capable status remains problematic. Engineering obstacles continue to delay delivery of three new patrol boats now under construction and governmental acquisition procedures delay the contracting of two offshore support vessels. The Italian government plans to contribute six assault boats, and the Iraqi Navy seeks to contract the construction of four patrol ships by an Italian company. Poor infrastructure development at the IqN base continues to be a problem. Without improvements to ship maintenance, acquisition and infrastructure development, Coalition naval forces will be required to guard the Iraqi oil terminals in the NAG for the foreseeable future.



## LAW ENFORCEMENT

### Police Training and Technical Assistance

Project Code: 10000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	1,040	768	-	-2	-	-	1,806	1,774	1,529
Change from April	-	-	-	-	-	-		+ 9	+66
July 2006	1,040	768	-	-2	-	-	1,806	1,783	1,595

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense, Department of State, with some funds transferred to Department of Justice

**Changes from the April Report:** This report maintains the \$1,806 million allocated to Police Training and Technical Assistance.

#### Accomplishments since the April Report:

- Purchased additional AK-47 assault rifles and Glock pistols for the Iraqi Police Forces (\$1.7 million)
- Completed construction on remaining five police stations in the Mosul and Tal Afar area (\$11.9 million).
- Construction of National Police Regiment Facilities at Taji is 97% complete (\$44.7 million).
- Construction of an Emergency Response Unit Dignitary Protection Training Site in Baghdad is 92% complete (\$14.0 million).
- Completed renovation of a forensic lab in Baghdad (\$1.88 million).
- Completed construction of a Facilities Protective Service Headquarters and Academy in Baghdad (\$6.1 million)

#### Accomplishments anticipated next quarter:

- Complete construction of the National Police Regiment Facilities in Taji (\$44.7 million).
- Complete construction of the Emergency Response Unit Dignitary Protection Training Site in Baghdad (\$14.0 million).



- Complete construction of the Safwan Iraqi Highway Patrol Station in Safwan (\$2.5 million).
- Complete construction of two Iraqi Police Stations in Babil (\$879,000).
- Complete construction of Commando Sites 4 and 6 in Baghdad (\$23.0 million).
- Complete construction of the Baghdad Police College to increase the cadet training capacity (\$42.0 million).
- These activities will close this project code.

**Border Enforcement**  
**Project Code: 11000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	260	177	-	-	-	-	437	421	364
Change from April	-	-	-	-	-	-	-	+10	+29
July 2006	260	177	-	-	-	-	437	431	393

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense and PCO

**Changes from the April Report:** This report maintains the \$437 million allocated to border enforcement. This project code equipped and trained the Border Police and Port of Entries custodians. 76 percent of the Border Police are trained and equipped. Border Police and Port of Entry training will be completed by July. Five percent of Border Forces were equipped by the end of June and 100 % will be by the end of December. Construction is complete on 249 of 258 border forts. The remaining forts will be completed by the end of July.

**Accomplishments since the April Report:**

**DoD**

- Completed construction at the Bashmakh Land Port of Entry (\$2.0 million).
- Completed construction at the Umm Qasr Coast Guard Forward Operating Base (FOB) (\$3.5 million).
- Completed construction at the Department of Border Enforcement Facility in Al Kut (\$14.5 million).



- Completed construction at the Akashat and Trafawi Sector Forts (\$9.7 million).

#### **PCO**

- Completed the PCO/GRD border forts program consisting of 114 forts (~\$60.1 million).

#### **Accomplishments anticipated next quarter:**

#### **DoD**

- Complete construction at the Rabea Class A Land Port of Entry and Force protection (\$1.3 million).

#### **PCO**

- Complete all close out activities and provide the Ministry of Interior all pertinent documents for the 114 PCO/GRD border forts.

The USG Border Fort program has provided Iraq 114 functional border forts, with 258 border forts being built nation wide. These facilities provide Iraq a first line of defense against illegal entry and smuggling, increasing stability and security within the country. The program created jobs and provided training for local labors in the surrounding communities on various types of construction techniques. The forts have added enhanced security for these communities and throughout Iraq, already supporting the goal of a free and independent Iraq.

#### **Facilities Protection Service (FPS)**

##### **Project Code: 12000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	53	0	-	-	-	-	53	53	33
Change from April	-	-	-	-	-	-	-	-2	+6
July 2006	53	0	-	-	-	-	53	51	39

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense

**Changes from the April Report:** This report maintains the \$53 million allocated to Facilities Protection Service (FPS). This project code equipped, armed and provided uniforms, computers and radios to the new MoI Facilities Protection Services (FPS) National Headquarters. Uniforms and equipment were also issued to the Diplomatic Protection Services (DPS). Funds were also used to develop and initiate tier-II PSD training at the



Baghdad Police College. This training was conducted for the Facilities Protection Service (FPS).

**Accomplishments since the April report:**

- Contracts closed out and residual funds moved to support mission requirements.

**Accomplishments anticipated next quarter:** Project Closed

**NATIONAL SECURITY- IRAQI ARMED FORCES**

**Iraqi Armed Forces Facilities**

**Project Code: 20000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	602	129	-	-	-	-	731	725	712
Change from April	-	-	-	-	-	-	-	+2	-4
July 2006	602	129	-	-	-	-	731	727	708

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense

**Changes from the April Report:** This report maintains the \$731 million allocated to Iraqi Armed Forces Facilities. This project code provides basic base infrastructure requirements such as barracks, dining facilities, admin facilities, HQ, training rooms, vehicle maintenance facilities and base support facilities to the Iraqi Armed Forces.

**Accomplishments since the April Report**

- Completed construction of facilities for 2,500 soldiers of the 3<sup>rd</sup> Brigade of the 6<sup>th</sup> Division at Qasr Tel Michel (\$3.2 million).
- Completed construction of facilities for 1,750 soldiers of the 2<sup>nd</sup> Brigade of the 4<sup>th</sup> Division and their headquarters at the Kirkuk Military Base (\$14.3 million).
- Completed construction of facilities for 1,750 soldiers of the 1<sup>st</sup> Brigade of the 3<sup>rd</sup> Division and their headquarters at the Al Kasich Military Base (\$13.3 million).

**Accomplishments anticipated next quarter:**

- Complete construction of facilities for 250 soldiers of the 9<sup>th</sup> Division Headquarters in Taji (\$2.3 million).



- Complete construction of facilities for 250 soldiers of the 8<sup>th</sup> Division Headquarters in Diwaniyah (\$1.6 million).
- Complete construction of facilities supporting a Transportation Battalion in Numiniyah (\$5.0 million).
- Complete renovation of utilities in Habbaniyah (\$5.0 million).

**Iraqi Armed Forces Equipment**  
**Project Code: 21000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	606	23	-	-14	-	-	615	605	567
Change from April	-	-	-		-	-		-	+12
July 2006	606	23	-	-14	-	-	615	605	579

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense

**Changes from the April Report:** This report maintains the \$615 million allocated to the Iraqi Armed Forces Equipment Project. This project code equipped, armed and provided vehicles, uniforms, computers and radios to the Iraqi Armed Forces. Some of the major investments were: \$292 million for vehicles, \$28 million for weapons, \$33million for communications equipment, \$89M for other equipment and \$49M for maintenance.

**Accomplishments since the April Report:**

Contract closeout completed and remaining funds identified will be moved to support mission requirements.

**Accomplishments anticipated next quarter:** Project code closed.

**Iraqi Armed Forces Training and Operations**  
**Project Code: 22000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	394	35	-	2	-	-	431	407	376
Change from April	-	-	-	-	-	-		+10	+18



July 2006	394	35	-	2	-	-	431	417	394
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NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense

**Changes from the April Report:** This report maintains the \$431 million allocated to the Iraqi Armed Forces Training and Operations Project. This project code trained and improved the operational capabilities of the Iraqi Armed Forces. Some of the major investments include: operations and training costs of the Basic Branch Schools (\$231 million) and equipment, furniture, vehicles and weapons for the schools (\$90 million).

**Accomplishments since the April Report:**

Contract closeout completed and remaining funds identified will be moved to support mission requirements.

**Accomplishments anticipated next quarter:** Project code closed.

**Iraqi National Guard Operations and Personnel**  
**Project Code: 23000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	159	66		-	-	-	225	214	183
Change from April	-	-		-	-	-	-	+1	+11
July 2006	159	66		-	-	-	225	215	194

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense

**Changes from the April Report:** This report maintains the \$225 million allocated to Iraqi National Guard Operation and Personnel. The initial funds provided \$145.5 million for the Operations and Maintenance of Multi-National Command-Iraq, while supporting Iraqi Security Forces. Some of the expenditures were sanitation services for 1/1 IA on East Ramadi Camps, MNF-W, 3/1/7 IA and 7th Div HQ on Blue Diamond, MNF-W and 1/3/4 IA on FOB McKenzie, MND-N. Life support services for two IA companies on FOB Butler Range, MND-N. T-walls, jersey barriers and guard towers for 3/5 IA in the MNF-W area. The balance funded \$79.1 million for the operations of the Iraqi National Guard, now known as the Iraqi Armed Forces. Expenditures included requirements for Life Support (39.6 million), Aviation training (\$1.7 million), EOD training (\$1.8 million), mobilization cost (\$6.9 million) and funding to the Multi-National Command-Iraq for their Transition Team Integration Fund (\$7.3 million) and Emergency Life Support for the Iraqi Security Forces (\$6.7 million).



**Accomplishments since the April Report:**

Contract closeout completed and remaining funds identified will be moved to support mission requirements.

**Accomplishments anticipated next quarter:** Project code closed.

**Iraqi National Guard Equipment**  
**Project Code: 24000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	81	11	-	-	-	-	92	89	86
Change from April	-	-	-	-	-	-	-	-	+2
July 2006	81	11	-	-	-	-	92	89	88

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense

**Changes from the April Report:** This report maintains the \$92 million allocated to Iraqi National Guard Equipment. The funds in this project code provided funds for equipment, furniture, vehicles and weapons for the Iraqi Armed Forces.

**Accomplishments since the April Report:**

Contracts closed out and residual funding moved to support mission critical priorities.

**Accomplishments anticipated next quarter:** Project code closed

**Iraqi National Guard Facilities**  
**Project Code: 27000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	-	359	-	7	-	-	366	353	329
Change from April	-	-	-		-	-5	-5	+2	+12
July 2006	-	359	-	7	-	-5	361	355	341

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense



**Changes from the April Report:** This report reflects a previous notification to Congress of the Administration's intent to decrease this project code by \$5.4 million. Funds were reallocated to support the completion of the Primary Healthcare Clinics within Nationwide Hospital and Clinic Improvements (PC 9000).

**Accomplishments since the April Report:**

- Completed construction of facilities for the 1<sup>st</sup> Brigade of the 1<sup>st</sup> Division and their headquarters at Al Rasheed Military Base (\$45.5 million).
- Completed construction on the consolidated generator project at Kirkuk, supporting 3,500 soldiers (\$7.9 million).
- Completed construction on the generators and fencing project at Tallil, supporting 1,000 soldiers (\$5.0 million).
- Completed construction at the Umm Qasr Dock at the Umm Qasr Naval Base supporting 500 sailors (\$5.0 million).

**Accomplishments anticipated next quarter:**

- Complete construction of facilities for 750 soldiers of the 4<sup>th</sup> Battalion, 1<sup>st</sup> Brigade, 2<sup>nd</sup> Division at FOB 7 outside Samara (\$11.1 million).
- Complete construction of facilities for 250 soldiers of the 4<sup>th</sup> Brigade, 10<sup>th</sup> Division Headquarters at FOB Sparrow in Al Amarah (\$6.6 million).
- Complete construction of facilities for 1,500 soldiers of the 2<sup>nd</sup> and 3<sup>rd</sup> Battalions of the 2<sup>nd</sup> Brigade, 1<sup>st</sup> Division in Habbaniyah (\$6.2 million).
- Complete construction of facilities for 750 soldiers of the 3<sup>rd</sup> Battalion of the 2<sup>nd</sup> Brigade, 2<sup>nd</sup> Division in Hammal Al Alil (\$9.2 million).
- Complete construction of the Az Zubar Explosive Ordnance School (\$3.1 million).

**Iraqi Security Forces Quick Response Program  
Project Code: 26000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	40	130	-	-7	-	-	163	157	149
Change from April	-	-	-	-	-	-	-	+1	+3



July 2006	40	130	-	-7	-	-	163	158	152
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NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense

**Changes from the April Report:** This report maintains the \$163 million allocated to Iraqi Security Forces Quick Response Program.

**Accomplishments since the April Report:**

- Funded \$963,000 project to renovate and improve security at National Police Academy in Baghdad.
- Funded fuel cleaning and storage point to ensure fuel is a better quality and on-hand as needed in Um Qasr (\$910,000).
- Funded \$977,000 for Kevlar helmets to replenish dwindling supplies for the Iraqi Army.
- Authorized \$871,000 for Iraqi Police vehicles to be used for daily missions throughout Fallujah.

**Accomplishments anticipated next quarter:** Project closed.

**Nonproliferation and Export Control and Border Security  
Project Code: 09600**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	-	-	-	3	-	-	3	-	-
Change from April	-	-	-	-	-	-	-	+1	+1
July 2006	-	-	-	3	-	-	3	1	1

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of State, Bureau of International Security and Nonproliferation (ISN)

**Changes from the April Report:** This report maintains the \$3 million to continue the current Iraqi WMD Expertise Redirect Program and provide radiation detection equipment and training for the Iraqi border guards.

The Iraqi WMD Expertise Redirect Program plays a crucial role in inhibiting proliferation of Iraq's weapons expertise through payment of regular stipends to approximately 150 key Iraqi weapons development personnel, provision of career transition assistance in the form of



workshops, seminars and collaboration with western counterparts and the funding of science-based projects proposed by program participants and focusing on areas of importance to the reconstruction of Iraq.

#### **Accomplishments since the April Report:**

- Identified and initiated work on three science-based projects proposed by former weapons scientists currently participating in the Iraqi Interim Center for Science and Industry (the redirection program office in Baghdad). Projects concern an ozone water treatment pilot plant, water-quality monitoring and non-destructive lab refurbishment (\$475,000).
- Continued operation of the Iraqi International center for Science and Industry (IICSI): \$250,000

Scientist stipends:	120,000
Scientist travel support:	75,000
Staff salaries:	36,000
Operating expenses	19,000

- Supported Iraqi weapons scientists' participation in the Rebuild Iraq - 2006 exposition in Amman, Jordan, in May 2006.

#### **Accomplishments anticipated next quarter:**

- Continue operation of IICSI: \$280,000

Scientist stipends:	130,000
Scientist travel support:	90,000
Staff salaries:	40,000
Operating expenses	20,000

- Continue efforts to identify and support science-based projects proposed by participating scientists: \$250,000.

#### **Focused Stabilization**

##### **Project Code: 08500**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	-	-	-	30	-	-	30	-	-
Change from April	-	-	-	-	-	-	-	+30	-
July 2006	-	-	-	30	-	-	30	30	-

NOTE: Obligation and Outlay Data is current as of June 28, 2006.



**Responsible U.S. Government Agency:** USAID

**Changes from the April Report:** This project code maintains the \$30 million allocated to this project code. The objective of the program is to support economic stabilization efforts by supporting employment, skills training and business development programs.

**Accomplishments since the April Report:**

- Agreement negotiated and awarded to Implementing Partner.
- Implementing Partner offices established and recruiting of staff for program activities initiated.
- Draft work plan prepared.

**Accomplishments anticipated next quarter:**

- Submit, review and approve work plan.
- Implementing partner to complete mobilization.
- Initiate activities for the three components: Employment, Skills Training and Business Development.
- Initiate coordination activities with relevant stakeholders including the appropriate Provincial Reconstruction Teams (PRTs), U.S. Embassy in Iraq and U.S. Military as to the geographic focus of the program, program accomplishments, progress metrics and coordination effort.

**Commander's Humanitarian Relief & Reconstruction  
Project Code: 28000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	-	86	-	-	-	-	86	85	64
Change from April	-	-	-	-	-	-	-	+1	+3
July 2006	-	86	-	-	-	-	86	86	67

NOTE: Obligation and Outlay Data is current as of June 29, 2006.

**Responsible U.S. Government Agency:** Department of Defense/Multinational Force-Iraq (MNF-I) and USAID



**Changes from the April Report:** This report maintains the \$86 million allocated for the Commander's Humanitarian Relief and Reconstruction Projects (CHRRP).

**Accomplishments since the April Report:**

**DoD**

- Continued construction on the Qubaidy sewer system renovation, which is 65% complete. New estimated completion date is July (~\$15 million).
- Continued construction on the Kamalay sewer system renovation. Work is back on schedule after numerous security issues. Currently 89% with a new completion date of August (~\$25.4 million).
- Continued construction on the Assyria sewer system project. After review of construction, this project is up for re-bid of contractor due to substandard material used. Project currently at 40% completion due to re-work of bad section (~\$1.8 million).
- Started construction work on the Kharkh sewer system security improvements. This project will update the security at the Kharkh sewer plant thus increasing work production with an estimated completion date of September (\$900,000).
- Continued construction on Kirkuk pressure Zone 5 distribution, one kilometer, 100 meter pipe with 2X valves. Work on schedule with an estimated completion date of August. Currently 75% complete (~\$1 million).
- Continued progress on Al Abayachi Water Project. Work is back on schedule after numerous security issues; project is 50% complete with estimated completion date of September (\$331,046).
- Continued progress on Al Alath Water Project in Isahki, Salah al-Din. Late start due to contracting problems; currently 45% complete (\$505,000).
- Continued progress on Balad Train Station water project, with an estimated completion date of September. 70% complete (\$620,000).
- Continued construction of Altun Kapri water tower, with an estimated completion date of August; 65% complete (\$92,000).
- Continued construction of Kalwar water tower. Work is back on schedule after 150-day performance review with a new estimated completion date of September; 50% complete (\$92,000).
- Continued progress on Taraka village water project. Delayed due to continuing contracting issues. 40% complete. No new estimated completion date given (\$58,000).



## **USAID**

To date IRD assisted more than 750 small businesses through CAP Economic and Business Development Program, creating over 2,500 long term jobs. Manufacturing, agriculture, construction and service businesses form 76% of the total value of grants that have been approved and completed to date. Agricultural projects (e.g. cattle and sheep breeding, hen egg farms and dairy factories) also make up a considerable percentage of total projects. These types of businesses are rated the highest among all other businesses in terms of job creation. IRD/CAP focused on projects that created long- term jobs and opportunities for sustainable income generation. These projects are an important component in the creation of long-term stability and the economic development of local communities.

### **Anticipated accomplishments next quarter:**

**USAID** Project Code closed out

## **DoD**

- Complete Qubaidy sewer system renovation (~\$15 million).
- Complete Kamalay sewer system renovation (~\$25.4 million).
- Complete Kirkuk pressure Zone 5 distribution, one kilometer, 100 meter pipe with 2X valves (~\$1 million).
- Complete Al Alath Water Project in Isahki, Salah al-Din (\$505,000).
- Complete Altun Kapri water tower (\$92,000).
- Complete Kalwar water tower (\$92,000).
- Complete Al Abayachi Water Project (\$331,000).
- Complete Balad Train Station water project (\$620,000).



**SECTOR: Justice, Public Safety Infrastructure and Civil Society****Other Technical Investigative Methods****Project Code: 31000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	5	-	-	-	-	-	5	1	1
Change from April	-	-	-	-	-	- 3	- 3	-	-
July 2006	5	-	-	-	-	-3	2	1	1

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Departments of Defense and State, with some funds transferred to the Department of Justice.

**Changes from the April Report:** This report reflects a previous notification to Congress of the Administration's intent to decrease this project code by \$2.8 million, reallocating funds to Nationwide Hospitals and Clinics (PC 90000) to support the completion of the Primary Healthcare Clinics.

**Accomplishments since the April Report:**

Due to delays in construction of the new headquarters building for the Commission on Public Integrity, which will now be completed early in 2007, additional purchases planned for this project code have been cancelled and funding reallocated to the PHC program within the Health Sector. This project code is closed.

**Anticipated accomplishments next quarter:** Project closed.

**Witness Protection Program****Project Code: 30000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	40	-3	-	-	-	-	37	35	10
Change from April	-	-	-	-	-	-1	- 1	+1	-
July 2006	40	-3	-	-	-	-1	36	36	10

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Departments of Defense/Project and Contracting Office (PCO) and State, with funds transferred to the Department of Justice



**Changes from the April Report:** This report reflects a previous notification to Congress of the Administration's intent to decrease this project code by \$1 million, reallocating funds to Nationwide Hospital and Clinic Improvements in support of the completion of the Primary Healthcare Clinics. It maintains the \$35 million allocated to support a Witness Protection Program and the Commission on Public Integrity (CPI).

**Accomplishments since the April Report:**

**DoD**

- The Army Corps of Engineers started construction on the witness security facilities in Mosul and Basrah (\$5.0 million) as part of a U.S. Marshals Service project funded through the State Department.
- The Army Corps of Engineers continued construction of the witness security facility in Baghdad's Al Karkh District (\$2.5 million), also part of a U.S. Marshals Service project funded through the State Department. Contract modifications have extended the project schedule.
- Continued incremental purchases of weapons, ammunition and assorted gear to support 500 new security personnel for force protection of the CPI investigating agents (~\$1 million).

**Department of Justice (DoJ)**

- Purchased 3 armored personnel carriers, plus 10 armored cars/SUVs for movement of witnesses and judges.
- Purchased anti-IED devices and tracking equipment for new vehicles (\$3.2 million).
- Started construction/renovation of two witness security sites. Purchase security equipment for new facilities. Hire, train and equip guard forces for new facilities (\$5.7 million).

**CPI**

As CPI has been self financing for the last two quarters, the excess funds will be reallocated to supporting the completion of the 121 PHCs within the Health Sector. This closes out CPI activities in this project code.

**Anticipated accomplishments next quarter:**

**DoD**

- Start construction on the witness security facilities in Baghdad's Rusafa District (\$2.5 million).



- Complete construction of the witness security facility in Baghdad's Al Karkh District (\$2.5 million).

### Penal Facilities

**Project Code: 32000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	100	-13	-	-	-	-	87	86	35
Change from April	-	-	-	-	-	-	-	-1	+8
July 2006	100	-13	-	-	-	-	87	85	43

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report maintains the \$87 million allocated for penal facilities, specifically for the Maximum Security Correctional Facility in Nassriya.

### Accomplishments since the April Report:

- Continued construction of 800-bed Nassriya correctional facility. The facility is now estimated to be completed by June/July 2007. Contractor performance is currently under review due to schedule delays and increasing costs.

### Accomplishments anticipated next quarter:

- Continue construction of 800-bed Nassriya correctional facility with an award of bridge contract. Work towards soliciting completion contract in late July. Target prison completion date is estimated at June /July 2007.

### Reconstruction and Modernization of Detention Facilities

**Project Code: 33000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	135	30	-	2	39	-	206	151	72
Change from April	-	-	-	-	-	-	-	+16	+9
July 2006	135	30	-	2	39	-	206	167	81

NOTE: Obligation and Outlay Data is current as of June 28, 2006.



**Responsible U.S. Government Agency:** Departments of Defense/PCO, Justice-International Criminal Investigative Training Assistance Program (ICITAP) and State

**Changes from the April Report:** This report maintains the \$206 million allocated to Reconstruction and Modernization of Detention Facilities.

**Accomplishments since the April Report:**

**PCO**

- Terminated the design build contract for construction of 1,800 bed multi-custody correctional facility in Khan Bani Sa'ad; currently 41% complete (~\$72.9 million). Contract was terminated as a result of poor performance and lack of schedule adherence. Construction continues via a fixed-price bridge contract re-awarded to the onsite Iraqi firm. A contract will be re-awarded to complete the remaining work.
- Continued construction-renovation of Zrka Rehabilitation Center in Dahuk; currently 40% complete (~\$5.6 million).

**Department of Justice (ICITAP)**

- Received vehicles and security equipment, including weapons, body armor, helmets with shields and ammunition, to be distributed to Iraq Correctional Services (ICS) (~\$500,000).
- Awarded contract to purchase buses and pick-up trucks for the ICS Security Force to provide increased protection while transporting offenders (~\$1 million).
- Installed 21 each MTR 2000 Repeaters at ICS facilities throughout Iraq to facilitate radio communications within ICS.

**Accomplishments anticipated next quarter:**

**PCO**

- Award contract to complete the Khan Bani Sa'ad correctional facility and continue construction. Construction of the facility is expected to be completed by end of September 2008.
- Continue work at Zrka Rehabilitation Center in Dahuk.

**Department of Justice (ICITAP)**

- Analyze equipment needs for new prisons and procure as funds become available.



## FACILITIES REPAIR, FIRE SERVICE AND DEMINING

### Facilities Repair

Project Code: 13000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	92	-3	-	-	-	-	89	84	64
Change from April	-	-	-	-	-	-	-	-1	+5
July 2006	92	-3	-	-	-	-	89	83	69

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report maintains the \$89 million allocated to Facilities Repair.

#### Accomplishments since the April Report:

- Completed construction of 9 new fire stations (\$9.9 million).
- Completed renovations of 3 fire stations (\$605,000).

#### Accomplishments anticipated next quarter:

- Complete construction of the 2 remaining new fire stations (\$2.2 million)

### Fire Service

Project Code: 14000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	122	-7	-	-	-	-	115	108	103
Change from April	-	-	-	-	-	-	-	-6	-4
July 2006	122	-7	-	-	-	-	115	102	99

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report maintains the \$115 million allocated for Fire Service.

#### Accomplishments since the April Report:



- Solicited contract to purchase materials to modify power supply for the compressor to fill the Self Contained Breathing Apparatus (SCBA) (\$45,000).
- Solicited contract for purchase of Hazardous Material (HAZMAT) handling and identification equipment. This gives Iraq Fire Departments the capacity to respond to Nuclear, Biological and Chemical Incidents (~\$758,000).
- Solicited contract for training of HAZMAT team. This will increase capacity and certify HAZMAT technicians in select nuclear, biological and chemical skills (~\$500,000).
- Solicited contract for Officer Training outside Iraq for the Iraqi Civilian Defense Directory to build personnel capacity and increase professional skills. (~\$3.9 million).
- Solicited contract to build a security fence for two fire stations in Baghdad to increase the security of the Fire Stations (~\$114,000).
- Solicited contract for purchase of firefighting foam additive. This is required for the Iraqi Civilian Defense Directory to fight chemical and fuel fires (~\$1 million).
- Solicited contract for the purchase of four trailer mounted air compressors for the Iraqi Civilian Defense Directory. (~\$300,000).
- Solicited contract for Rescue Training and Equipment for the Iraqi Civilian Defense Directorate to build capacity and have ability to respond to disasters (~\$1.3 million).
- Solicited contract for maintenance training to provide capacity for Iraq Fire Officials to maintain capital equipment purchased through IRFF and procured through the U.N. Oil for Food program that operated prior to Operation Iraqi Freedom (\$550,000).
- Delivered four minipumper fire trucks, four medium rescue trucks, twenty utility trucks and six fuel tankers to Northern Iraq Provinces Civil Defense Directorate.
- Delivered forty minipumper fire trucks, 21 medium rescue trucks and eight fuel tankers to Southern Iraq Provinces Civil Defense Directorate.
- Delivered 43 minipumper fire trucks, two medium rescue trucks, twelve fuel tankers and five Blazers to Baghdad Civil Defense Directorate.
- Delivered one thirty foot fireboat and four nineteen foot fireboats to Iraq Civil Defense Directorate.

#### **Accomplishments Anticipated next quarter:**

- Solicit contract for HAZMAT Trucks for the Iraqi Civilian Defense Directorate (~\$600,000).



- Solicit contract for portable communications equipment for the Iraqi Civilian Defense Directorate. (~\$300,000).
- Solicit contract for executive training for the Iraqi Civilian Defense Directorate. This is planned in the Gulf Region and will build capacity and increase professional ability. (~\$200,000).
- Solicit contract for EOD Training for the Iraqi Civilian Defense Directorate (~\$200,000).
- Solicit contract for portable lighting equipment for the Iraqi Civilian Defense Directorate (~\$250,000).
- Solicit contract for the modification of ventilation fans for the Iraq Civil Defense Directorate (~\$10,000).
- Solicit contract for the training of Calibration specialists to maintain Self Contained Breathing Apparatus (~\$25,000).
- Solicit contract for the purchase of a training tower to assist in building capacity at the Iraq Civil Defense Directorate (~\$250,000).
- Solicit contract for the purchase of portable training trailers for the Iraq Civil Defense Directorate. (~\$600,000).
- Conduct Fire Officer training and capacity building for 400 Firefighters.
- Complete construction of two security fences at Iraq Fire Stations.
- Complete delivery of firefighting foam to Southern Provinces (~\$700,000).
- Conduct HAZMAT awareness training for 400 firefighters.
- Conduct Executive training in region for 25 Fire Chiefs.

**Demining**  
**Project Code: 09500**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	61	9	4	9	-	-	83	74	72
Change from April	-	-	-	-	-	-		+9	+2
July 2006	61	9	4	9	-	-	83	83	74

NOTE: Obligation and Outlay Data is current as of June 28, 2006.



**Responsible U.S. Government Agency:** Department of State

**Changes from the April Report:** This report maintains the \$83 million allocated to fund a combination of minefield and battle area clearance (BAC) operations and explosive ordnance disposal (EOD) missions by the Iraqi Mine UXO Clearance Organization (IMCO) and the Mines Advisory Group (MAG) as well as conduct survey operations by the Vietnam Veterans of America Foundation (VVAFA).

This program contributes to post-battle operations, improves the humanitarian environment for returning populations, especially children and increases prospects for donor and Iraqi budget funded economic development by clearing land for agricultural and other economic use.

RONCO, the State Department contractor, has successfully established a demining/UXO NGO for the center/south of the country. That NGO, IMCO, has cleared power lines, university campus areas, military bases and oil fields and just recently cleared, for the U.S. military, a strategic ammunition storage point in Tal Afar that had been a source of IED material. A large quantity of lethal Unexploded Ordnance (UXO) is being destroyed each day.

**Accomplishments since the April Report:**

- Completed the tasking of IMCO to Tal Afar to assist the 1st Brigade, 1st Armored Division clearing part of a large ammunition storage point reducing the amount of explosive material available to insurgents.
- Completed Phase I training of IMCO personnel utilizing mechanical demining equipment.
- Provided Landmine/UXO awareness training to the Ministry of Interior by IMCO.
- Continued supporting the IMCO including a long term tasking from the Ministry of Oil to clear the Rumaila oil fields.
- Completed the training of three Iraqi Army Bomb Disposal Companies and commenced training of an additional three Bomb Disposal Companies. Continued to train IPs and IA in IED disposal. Commenced the training of Iraqi Army Bomb Disposal Instructors.
- MAG minefield, BAC and EOD clearance along the “Green Line” in Erbil governorate has been completed.
- Two multi services EOD units in Dahuk graduated in April. They are now trained, equipped and ready to be deployed as local authority EOD units.



- MAG IA/ING 54 man Humanitarian Mine Action (HMA) unit completed clearance of their first minefield as part of managed on the job training (MOTJT). The unit also began EOD level 3 and Survey and Demarcation training.
- Completed the Iraq Landmine Impact Survey (ILIS) South Final Report for the southern region.

**Anticipated accomplishments next quarter:**

- Complete the tasking of IMCO to Ba'quba to clear landmines from a hazardous area in close proximity to an Iraq Army and Coalition Forces SF training and operational base.
- Complete training of IMCO personnel utilizing mechanical demining equipment.
- Complete the training of three Iraqi Army Bomb Disposal Companies. Continue to train IPs and IA in IED disposal. Continue the training of Iraqi Army Bomb Disposal Instructors and commence the training of Iraqi Army IED instructors.
- Continue population of the Information Management System for Mine Action (IMSMA) National database, to include information sharing to all national stakeholders, to assist with reconstruction planning, humanitarian and security operations.
- Facilitate national EOD/IEDD coordination meetings between Iraqi Government, Iraqi Army, Iraqi Police, Coalition Forces, International Stakeholders and mine action organizations operating throughout Iraq.
- Continue minefield clearance, BAC and EOD using Mine Action Teams (MATs) and Mechanical teams in the governorates of Erbil, Sulaymaniyah, Dahuk, Kirkuk, Diyala and Ninewa.
- Continue community liaison and Mine Risk Education (MRE) in Erbil, Sulaymaniyah, Dahuk, Kirkuk, Diyala and Ninewa. MRE programs conducted include shepherd, villager, child and visitor.
- Extend Ministry of Education MRE training program to the northern governorates of Ninewa and Kirkuk. This program incorporates MRE into the primary education curriculum, training teachers and school supervisors, providing materials and following up progress with assessments and provision of additional materials and training.
- Build institutional capacity of a local NGO partner in the areas of management, strategic planning, fundraising, financial management, technical knowledge and operational activities. With MAG's support this local partner is providing MRE and victim surveillance in central and southern Iraq.
- Continue BAC, EOD and minefield clearance activities across north Iraq.



- Continue community liaison and MRE activities across north Iraq including the implementation of the Ministry of Education MRE training program in Ninewah and Kirkuk governorates.
- Deploy mine detection dog teams (MDDT) to facilitate minefield clearance and improve efficiency.
- Continue capacity building of IA/ING including on MOTJT with actual clearance outputs.
- Establishment of dedicated EOD and BAC teams to reduce the prevalence of UXO potentially used for anti-government and anti-MNFI activities.
- Complete the ILIS-South final report for nine governorates.
- Continue the UXO survey of Mosul, Tikrit and Diyala Governorates.

**Public Safety Training and Facilities**  
**Project Code: 15000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	139	81	-	-	-	-	220	212	167
Change from April	-	-	-	-	-	-29	-29	-2	+5
July 2006	139	81	-	-	-	-29	191	210	172

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report reflects a previous notification to Congress of the Administration's intent to decrease this project code by \$29.0 million. The decrease is a result of a decision to cancel construction of the National Fire and Civil Defense Academy due to delays in design and contract award and to reallocate funds to Nationwide Hospital and Clinic Improvements (PC 90000) to support the completion of Primary Healthcare Clinics throughout Iraq. The rehabilitation of the Civil Defense Headquarters (CDHQ) is now complete. The CDHQ facility serves as the center of operations for all fire fighting and rescue capacity in Iraq.

**Accomplishments since the April Report:** This project code is complete.



**National Security Communications Network: Advanced First Responder Network (AFRN)**  
**Project Code: 25000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	98	9	-	-	-	-	107	104	88
Change from April	-	-	-	-	-	-	-	-	+3
July 2006	98	9	-	-	-	-	107	104	101

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report maintains the \$107 million allocated for the national security communications network.

AFRN is a local, governorate and national Public Safety communications and dispatch system that enables Iraqi police, civil defense (fire) and emergency medical personnel to communicate effectively through radio, secure voice and data communications. It provides improved emergency services to 15 of Iraq's cities selected for strategic importance. This project is critical for the establishment of an effective police and emergency response force and for linking police, civil defense and ambulance services to other security and government personnel, enabling them to converge quickly on local and regional emergencies. In addition to AFRN, high frequency (HF) radios have been installed, providing emergency long haul voice and limited data connectivity prior to AFRN's Terrestrial Trunked Radio (TETRA) installation in the 15 cities and in areas not covered by the TETRA infrastructure. As terrestrial fiber optic connectivity is established for the AFRN TETRA network, the HF will serve as backup voice connectivity. The system provides emergency first responder service for the first time to nearly 12 million citizens in 15 cities.

**Accomplishments since the April Report:**

- Completed contract closeout and turned over system to CPATT/MNSTC-I for operations in support of the Iraqi Ministry of the Interior.
- No further activities anticipated in this project code. Physical closeout to be completed.

**Accomplishments anticipated for the next quarter:** Project code closed.

**Rule of Law in Iraq**  
**Project Code: 06500**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed



April 2006	30	26	-	54	-39	-	110	51	39
Change from April	-	-	-	-	-	-	-	+8	+1
July 2006	30	26	-	54	-39	-	71	59	40

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of State, Bureau of Narcotic and International Law Enforcement Affairs (INL), USAID and Department of Defense

**Changes from the April Report:** This report maintains the \$110 million allocated to Rule of Law in Iraq.

### **Accomplishments since the April Report:**

#### **Department of State (INL)**

- One building in INL compound completely renovated and occupied by Major Crimes Task Force.
- Assumed chair of Embassy Baghdad interagency rule of law working group.
- Two additional TDY staff deployed to assist the INL office.

#### **Iraq Justice Integration Project (IJIP):**

- IJIP IT Advisor from Bearing Point's Washington office will continue to conduct a specialized training for IJIP Iraqi programmers. The training consists of a 45 day intensive boot camp.
- IJIP will continue to help the four policy working groups understand their role in the policy making process within their Ministries and with each other in respect to the needs of justice integration.
- Trained cadre of Iraqi programmers capable of developing and delivering justice integration applications to the Iraqi Ministries. Team completed first version of countrywide arrest record web application/database for the MOI Criminal Records Division based on the new, standardized arrest form.
- IJIP consultants facilitated work of the Iraqi Commission on Justice Integration and its associated Steering Group for the purpose of developing an Iraqi Justice Integration Policy and identify/solve problems.
- IJIP held meetings of the various policy and procedures working groups to continue work on a memorandum of understanding among MOI, MOJ and HJC officials that will spell out their respective roles and responsibilities.



- Held National Consultation on Justice Integration on May 7 in Erbil with 20 officials of MOI, MOJ, HJC and MoLSA to plan the way forward for implementing the proof of concept and better inter-ministerial policies and procedures.

#### Major Crimes Task Force (MCTF):

- The MCTF, consisting of eleven U.S. federal agents, fifteen vetted and experienced Iraqi Police officers and two Higher Juridical Council Judicial Investigators and one investigative judge began setting up their offices in the IZ, building their capacity to plan and manage investigations and investigating crimes.
- Eleven ongoing investigations initiated since January; six in the last quarter – all are high-level, major crimes including assassinations, kidnappings and homicides.
- Four joint operations to train PSD in convoy movements to venues in the Red Zone in connection with investigations.

#### American Bar Association (ABA):

- Judicial Reform Index (JRI) assessment tool training conducted in Amman, Jordan May 31-June 1 for four Iraqi assessors.
- JRI assessment conducted, including review of relevant legal framework and available statistical data, interviews and focus group.
- Judicial leadership and case management training course modules developed and implemented for group of 20 Iraqi judges and court administrators in Amman, Jordan on June 8-10. Participants also trained in administering the course themselves and developed personal action plans for implementation in their courts in Iraq.
- Ongoing support for Human Rights Working Group (HRWG) and its subcommittees and activities, including media outreach, forming alliances and networks with human rights NGOs nationally and finalizing set of recommendations for proposed amendments to constitution and advocating for their adoption.
- Training of trainers in Beirut on May 25-30 on public legal education on human rights for 18 government and civil society representatives from across Iraq. Training included the design of public outreach roundtables to take place in the next months.

#### Department of Justice:

- Justice Attaché and two Baghdad-based OPDAT RLAs are primary legal advisors to Major Crimes Task Force (MCTF) funded through State/INL; Justice Attaché serves as head of MCTF.



- Employed 4 additional OPDAT RLAs for placement in the PRTs to support the expansion of functioning of the Central Criminal Court of Iraq (CCCI).
- Continued advisory assistance to and training of Iraqi judges.

## **USAID**

Legal work has been done on a total of 80 laws and regulations under the Commercial Law and Institutional Reform Component (CLIR) of Economic Governance II. Of the 80 laws and regulations, 18 have been adopted by the GOI, work on another 23 has been completed and is on-going on another 39. The 80 laws and regulations pertain to a wide range of legislation and institutions in the economic governance area. These include telecommunications, tax administration, budget execution, banking regulation, petroleum sector, foreign investment trade (trademarks and patents), business registration, collateralization of assets, insurance and public budget execution. Work is currently underway, now that the new government is in-place, to review the Commercial Law and Institutional Reform diagnostic as part of a strategy to solicit interest by the GOI in the passage of legislation already completed, in on-going legal and regulatory work and to determine GOI legislative and regulatory priorities. While the outcome of this process must await completion of discussions with the new government, it is likely that reform of the petroleum law, procurement law and pension law will be high priorities.

### **Accomplishments anticipated next quarter:**

#### **Department of State (INL)**

- Complete two remaining buildings in INL compound and all security upgrades by end August 2006.
- Initiate steps to locate property to move and consolidate contractor support functions.
- Deploy up to 8 rule of law advisors to U.S.-led provincial reconstruction teams (PRTs), along with an equivalent number of Iraqi attorney advisors.
- Provide Higher Juridical Council with assistance in drafting enabling legislation and strengthening court administration systems.

#### **IJIP:**

- Create and facilitate Coordination Committee as requested by Iraqi ministry officials at May 7 Consultation.
- Receive endorsement of Charters and Memoranda of Understanding for working groups.
- Hold Commission meeting with new ministers to renew support for IJIP mandates.



- Continue researching remedies to justice integration issues identified by policy working groups.
- Identify infrastructure and database enhancement requirements needed to deploy countrywide arrest records web application/database for MOI Criminal Records Division (CRD) and migrate 350,000 arrest records from paper files.
- Identify prototype HJC and MOJ functionality for integration with the CRD web application/database so defendants can be tracked from arrest through trial and acquittal or conviction/incarceration.

#### Major Crimes Task Force:

- Four additional translators will be hired and will increase the capacity of investigators such that additional arrests are expected.

#### ABA:

- As part of ongoing support for development of a judges association in Iraq, study tour is planned for approximately ten Iraqi judges in late August/early September.
- Public outreach roundtables designed by trainees from May train-the-trainers on human rights public education will take place in Najaf (gender issues), Baghdad (basic human rights education) and Erbil (Human Rights Commission).
- Ongoing assistance to Ministry of Human Rights and Human Rights Working Group on development of outreach materials and website.
- Workshop and study tour on operational structure for Human Rights Commission, in coordination with UN process currently underway.

#### DOJ:

- Two additional OPDAT attorneys to arrive in August/September to serve on PRTs in Diyala and Salah ad Din for CCCI expansion program.

#### USAID Project closed

#### Investigations of Crimes Against Humanity Project Code: 05000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	75	53	-	-	-	-	128	121	58



Change from April	-	-	-	-	-	-	-	+3	+9
July 2006	75	53	-	-	-	-	128	124	67

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Justice (with funds transferred from Departments of Defense and State), Department of Defense (PCO) and USAID.

**Changes from the April Report:** This report maintains the \$128 million allocated to investigations of crimes against humanity.

### **Accomplishments since the April Report:**

#### **Department of State**

- Continued mass grave site #5 excavations and initiated analysis and reporting of findings (\$7.2 million).
- Continued repatriation of human remains efforts (\$1.2 million).
- Initiated procurement action for construction of the new Secure Evidence Unit (SEU) facility; expected completion date is December 2006 (\$3.5 million).
- Completed construction of the second Witness Security (WITSEC) camp designed to support trial chamber and prosecution witnesses (Camp Green Acres) and awarded service, security surveillance equipment and supply contracts (\$1.6 million).
- Continued training of PSD teams for court officials (\$.1 million).
- Completed courthouse heating and ventilation system overhaul (\$1.2 million).
- Completed additional interior courthouse renovations (\$1.1 million).
- Completed procurement for support of SEU Iraqi National translators following the exhaustion of the original USAID support grant (\$.9 million).
- Completed acquisition of special purpose protection vehicles for the U.S. Marshal Service (\$3.7 million).

#### **DoD**

- Selected site and conducted cost estimate studies for the solicitation of the secure evidence unit facility at Iraqi Special Tribunal (~\$2.5 million). Delays in process due to site selection issues.

#### **USAID**



Since November 2003, USAID/Office of Transition Initiatives (OTI) has provided crucial support to the development of the Iraqi Special Tribunal (IST) - now the Iraqi High Court (IHT) and associated facilities. USAID/OTI grants contributed furniture and equipment to the IST courthouse, including security equipment. OTI assistance was central to the establishment of the Secured Evidence Storage Facility, where documents and other evidence are catalogued and preserved for future use during Tribunal proceedings. One of the final USAID/OTI grants supported repatriation of materials documenting alleged atrocities and human rights violations perpetrated against the Kurdish population of northern Iraq. Thirty-seven USAID/OTI grants valued at \$5 million have contributed to this critical effort to transitional justice in Iraq.

#### **Accomplishments anticipated next quarter:**

##### **Department of State**

- Continue acquisition of additional interior services and supply requirements at the Iraqi High Tribunal (IHT) courthouse (\$.6 million).
- Continue acquisition of IHT courthouse perimeter improvements (\$1.6 million).
- Continue acquisition of IHT specialized support services (\$2.4 million).
- Continue acquisition of WITSEC service and supply needs (\$.5 million).

##### **DoD**

- Award contract for the secure evidence unit facility at Iraqi Special Tribunal (~\$2.5 million).

**USAID** Project closed

##### **Judicial Security and Facilities**

**Project Code: 09000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	73	86	-	-	-	-	159	150	96
Change from April	-	-	-	-	-	-	-	-11	+3
July 2006	73	86	-	-	-	-	159	139	99

NOTE: Obligation and Outlay Data is current as of June 28, 2006.



**Responsible U.S. Government Agency:** Department of Defense/PCO and Department of State, with some funds transferred to Department of Justice's U.S. Marshals Service (USMS) and Federal Bureau of Investigation (FBI).

**Changes from the April Report:** This report maintains the \$159 million allocated to Judicial Security and Facilities.

**Accomplishments since the April Report:**  
**Department of Justice (USMS)**

- Purchased security related equipment for new courthouse constructions.
- Completed Al Hayat and CCCI Baghdad renovation projects.

**Department of Justice (FBI)**

- Addressing high profile crimes in Baghdad that have an impact on the Iraqi infrastructure.

**DoD**

- Completed the courthouse renovation in the Ninawa Governorate (Al Sheikhan) (~\$250,000).
- Awarded contracts for construction of four new regional courthouses (~\$40 million).

**Anticipated accomplishments next quarter:**

**Department of Justice (USMS)**

- Training of additional Facility Protection Services, Protective Details and Judges.
- Provide a trained guard force for Al Karkh regional court house to facilitate its opening.

**Department of Justice (FBI)**

- Procure equipment and supplies to sustain Major Crimes Task Force.

**DoD**

- Begin construction of four new regional courthouses (~\$40 million).
- Award contract for Security/Protection Force at safe-house facilities (~\$3 million)
- Award contract for supplies and equipment for CCCI firing range (~\$14,000)



**Democracy-Building Activities**  
**Project Code: 06000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	541	401	62	30	-20	-	1,014	957	653
Change from April	-	-	-	-	-	-	-	+2	+145
July 2006	541	401	62	30	-20	-	1,014	959	798

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of State and USAID

**Changes from the April Report:** This report maintains the \$1.014 billion allocated to Democracy-Building Activities within Iraq.

The newly elected Council of Representatives (CoR) convened on March 16 for an initial protocol ceremony and has met several times since then. The CoR remained relatively inactive, however, until early June, waiting for the new government and cabinet to become fully functional. During this transitional period, the USG's implementing partners continued to provide extensive financial and technical assistance to the newly elected members of the CoR and their staffs, political parties, civic organizations, minorities and women's groups through the provision of international experts, workshops and seminars. Women and youth groups have continued to receive small grants assistance to support their participation in the on-going political process. Grants have focused on advocacy activities to address the personal status law, awareness-raising training programs, project activities and to address the media regarding the rights of women and youth. In addition, the Research Directorate which supports the CoR has been completed and is fully equipped and operational.

On-going constitutional initiatives such as training and advocacy activities for civil society organizations and the training and capacity development of CoR members (which began after the October 2005 Constitutional Referendum) continue to facilitate public input to the CoR. The CoR is expected to consider this input when the draft constitution is reviewed by the newly elected government and new amendments are brought before the public in future referenda. Thorny issues such as federalism, the control of Kirkuk and the Personal Status law remain to be resolved. The newly elected government will need to address these issues as high priorities. The USG Democracy Program will continue to provide training to members of the newly elected government and the CoR members. The program will also continue to support the legislative process, promote civil society and provide assistance to all levels of government.

The Independent Electoral Commission's (IECI) mandate ended when the newly elected government was formed. However, the IECI's Board of Commissioners has been given a temporary three-month extension to oversee improvements which are needed in the voter registration system and to bridge the transition between the IECI and the High Commission



for Elections which has yet to be formed. During this period, the United Nations hosted an important “Lessons Learned” conference in Cyprus, where recent electoral events in Iraq were reviewed and priorities established for the next electoral event, governorate and municipal council elections. IFES will work within this framework in the months ahead.

Iraq’s Civil Society and Independent Media Program (ICSP) have awarded well over 500 grants totaling approximately \$5.2 million. Particular attention was given to the ICSP’s work on anti-corruption, where over 6,000 local government officials received training. This training is done by civil society organizations. The overall program begins with raising awareness of anti-corruption, is followed by more intensive training to a smaller number of government officials and eventually focuses on specific key issues which are priority for the targeted government officials. Civil society organizations that undertake the training are supported through grant assistance and reach a large number of recipients. A national anti-corruption public awareness campaign was implemented by civil society organizations throughout the country, supported by the ICSP. Forty civil society watchdog groups were formed and operate throughout the country in close collaboration with Iraqi representatives of the Commission for Public Integrity. This collaboration includes participation in training programs, in meetings to discuss anti-corruption cases and to address identified anti-corruption problems.

USG assistance also helped continue the independent National Iraqi News Agency (NINA), which has initiated a revenue generation plan to help NINA become financially sustainable within a six month period. NINA is expanding its services to include English language news. A new subscription for news services has been launched to support the sustainability initiative. Support to independent media continues to strengthen the democratic institutions throughout the country, in particular civic ones, which must form the bedrock of a stable and democratic Iraq. Independent media have been especially effective in ICSP’s anti-corruption public awareness campaign. The cumulative effect of this democracy initiative is to bolster the legitimacy of the political system, build the institutional capacity of the new government and instill among Iraqi citizens the ethos and habits of democratic self governance.

Through the Local Governance Program (LGP), the Provincial Reconstruction Teams (PRTs) are helping to empower elected provincial officials in the decision-making process needed for basic governance. For example, since 2003, LGP has trained and mentored about 2,800 appointed and elected members in Iraq’s 18 provinces under the CPA and TAL administrations and councils freely elected in 2005. Councils have been trained on public management practices and service on a local government council. Provincial Councils (PCs) voted 14 to 1 to establish Local Government Associations and they are actively involved in preparing a new Local Government Code, an Iraqi-led initiative. In January former Prime Minister Ibrahim al-Jaafari was briefed by 75 PC representatives on conference activities and the new Local Government Code. In addition, PCs are actively working with LGP and U.S. Treasury Department staff on complex procedures for expending 3 billion Iraqi Dinars allocated to provinces through the Iraqi Regional Reconstruction and Regional Development Funds.



Since April 1, 2006 the USAID/Office of Transition Initiatives (OTI) has completed 365 grants worth \$22.5 million in Conflict Mitigation activities, which included hiring short-term employees to reconstruct and clean up communities, primarily in the Baghdad and Al Anbar Governorates. There were also 53 grants worth over \$1.5 million to support the school system and municipal facilities in the Ninewa Governorate, while 17 grants worth over \$780,000 with similar objectives covered the Kerbala Governorate. All OTI program activities were completed by April 30 and staff left Iraq by June 30.

The USAID Community Action Program (CAP) completed 68 community-based projects during this reporting period, valued at \$3,781,830. Working closely with the Community Action Groups (CAGs) to identify critically important projects, CAP partners were able to work in their areas of responsibility and address community needs through these CAP-CAG collaborative efforts.

USAID recently signed a cooperative agreement with International Relief Development, Inc. (IRD) for the new Community Stabilization Program. This will be a two-and-one-half year program focusing on short- to medium-term programs that include: employment generation, vocational training, micro-business development and youth programs. Program activities are expected to begin in Baghdad in August and will expand to other strategic cities as funds become available. All activities will be coordinated through the existing PRT structure and will address issues similar to those undertaken by OTI.

Moving forward, all implementing partners will increase the focus of the CAP program on income and employment generation, conflict mitigation and prevention, and the advocacy skills needed for community associations to engage local governments. The proposed focus builds on the common methodologies and approaches of all CAP implementers as a way both to maintain and build on the successes of the current CAP activities and to ensure that the program is in keeping with the USG's strategy for Iraq. The program also has been fully coordinated with USAID's strategy and with the mechanisms established for the coordination of reconstruction assistance – with local and provincial governments, the Coalition Forces and the U.S. Department of State. CAP will work in close collaboration with the established PRTs in an USG effort to coordinate and leverage the resources of other programs currently working in-country.

### **Accomplishments since the April Report:**

#### **Department of State/DRL**

- The National Democratic Institute (NDI) has conducted orientation sessions for approximately 70 Members of the Council of Representatives from various parties represented in parliament. Topics discussed during these sessions included an introduction to parliamentary procedures, roles and responsibilities, the role of members and the parliament in a democratic society and legislative process and functions. In addition, the Institute hosted a conference on rules of procedure that allowed Members of the Council make substantial progress towards identifying necessary rules and how they should be implemented.



- Through the *Civic Outreach to Citizens on the Role of the Parliament* program, NDI promoted the long-term democratic process through increased civic awareness and participation. The program took into account the unique circumstances facing Iraq, particularly the challenge of acquiring a deeper understanding of democratic processes following dictatorship, the responsibility of elected members and the tools available to citizens to seek assistance from their representatives. Over the course of the last quarter, NDI partner organizations hosted over 5,400 nationwide sessions that reached more than 196,000 participants who in turn sent over 88,000 constituent letters to members of the Council of Representatives. The most encouraging outcome of the Civic Outreach Program was the high percentage of women participating in the program's activities. Women comprised 47 percent of the participants in the sessions conducted, and, in some governorates, the percentage of women reached 66 percent.
- As the election monitoring organization Election Information Network (EIN) moves from a crisis response entity to an organization that will need to maintain its viability in-between elections, the board of directors decided to develop a strategic plan to determine what the post election role of EIN will be in Iraqi society. As part of this decision making process, NDI organized a seven-day conference to provide opportunities for EIN board members to speak freely regarding their ideas for the future of the organization. During the conference, EIN board members identified future strengths, weaknesses and opportunities.
- More than 430 women from five governorates were trained in the basic elements of creating an advocacy strategy and provided information on how to pass that knowledge to members of their civic communities. These 430 women will organize trainings in their home governorates.
- USIP conducted planning with various Iraqi groups and the U.S. Embassy for a follow-up to the March Dead Sea Conference with Sunni leaders.
- USIP received more than 20 essays written by Iraqi professors on various aspects of the new Constitution. These essays are currently undergoing translation and editing by USIP's Education team.
- Baghdad's secondary school system is co-sponsoring an essays project with 70 schools, about one quarter of all secondary schools in Baghdad. As of this date, 120 essays have been submitted.
- USIP began renovation of a small office in Mansour district of Baghdad for the purpose of establishing a USIP presence outside the International Zone. USIP Iraqi staff will use this facility to improve coordination and training of Iraqi NGOs and their projects, thereby increasing their outreach effectiveness.
- USIP's Baghdad Office will meet in early June with the Baghdad PRT staff to discuss linking them with USIP's extensive network of Iraqi civil society organizations.



- Two special reports on Iraq, one entitled “Who are Iraq’s New Leaders? What do they Want?” and “Measuring Progress in Stabilization & Reconstruction,” were published by USIP.
- USIP hosted a Human Rights Workshop, June 26-30 in Beirut. This workshop brought together 12 of Iraq’s leading educators on human right to discuss how best to educate Iraqi college students on human rights.

### **Department of State/INL**

- Completed two five-week CPI investigator training courses in which 27 CPI attorney investigators participated.
- Completed remedial firearms training for 35 CPI PSD personnel.
- Conducted ongoing witness protection training for CPI personnel assigned to witness protection program; ten PSD/SIU personnel participated.
- Conducted first forensics laboratory training seminar on latent fingerprints for four supervisory CPI personnel.
- Established mentoring program for CPI investigators at two regional offices. Four CPI advisors are assigned daily to mentor.
- CPI advisors mentored and assisted in the creation of an Internal Affairs unit within CPI to monitor the activities of CPI investigators.

### **Women’s Democracy Initiatives (State – DRL and G/TWI):**

- Sponsored a group of four Iraqi business women and entrepreneurs to US-Arab Economic Forum in Houston and training in Washington.
- Trained seven independent Iraqi women's NGOs in Karbala and Erbil in sustainability and how to staff an organization.
- Laid groundwork for establishment of women's resource centers in Kirkuk and Basra.
- Completed discussions with Basra University for cooperative effort to expand outreach to students and youth.
- Began on-the-job training for seven female journalists in Sulaymaniyah and Baghdad.
- Continued regular radio programming training with a core group of women journalists and NGO representatives.



- Women's Leadership Institute (WLI) held approximately eight workshops, trainings and roundtable discussions on empowering women's civil society organization (CSO) leaders and parliamentarians to be more effectively involved in the political process
- WLI, in conjunction with other CSOs affiliated with the Iraqi Women's Movement and women members of parliament, held a series of meetings in various provinces to decide on the most effective campaign messages and methods to be employed for a nationwide media campaign to amend the constitution.
- WLI published a newsletter highlighting its accomplishments and those of other women's CSOs around Iraq, as well as events pertaining to the Iraqi Women's Movement campaign to amend the constitution throughout most provinces in Iraq.

## **USAID**

### **Local Governance Program:**

- Participated in site assessments to establish PRTs in Anbar, Dhi Qar, Basrah, Tikrit and Diyala. The assessment for Salah ad Din was deferred to the next quarter.
- Assisted with the stand-up of the Anbar, Dhi Qar, Basrah and Diyala PRTs. LGP technical experts were fielded to all PRT locations where training was conducted.
- Conducted strategic planning and basic training on transparency for Kirkuk and Hillah, including: a) Provincial Council (PC) legal authorities and responsibilities, b) council work methods, c) PC management duties, d) transparency and working together and e) public budgeting and auditing.
- Provided technical assistance to 75 PC members to draft a new Local Government Code for decentralization, including helping to plan the next national conference that will likely be held in Northern Iraq. This initiative is Iraqi-driven.
- Finalized the implementation strategy for the establishment of Regional Institutes of Public Administration (RIPA). The strategy was provided to the USAID Capacity Building Office (CBO) so that it could incorporate RIPA activities into the design of the Baghdad Regional Center. The Ministry of Planning and Development Cooperation will be approached for input and coordination prior to establishment of the activities.

### **Community Action Program:**

- Completed 68 community-based projects during this reporting period, valued at \$3,781,830. Illustrative examples include restoration of health centers. Community health centers are an integral part of Iraq's public health system, the places most Iraqis first turn when they consult a physician. Community health centers give vital pre-natal care to women, treat a variety of illnesses and injuries and provide early detection of disease allowing effective treatment and early prevention of contagion.



- The Al Karada Mahala 908 Health Center in the Karada District of Baghdad serves the Riyadh neighborhood. In an average year, the staff at the center treats approximately 6,500 patients. The center is the first place members of the community seek out health care and the services provided range from family medicine to emergency care. In 2003, the center was looted, stripping the facility of almost all of its diagnostic equipment and supplies.
- The Community Action Group (CAG) worked with the Ministry of Health (MoH) to secure the Ministry's commitment to restoring the center. The MoH provided renovations, furniture and equipment for the center valued at \$68,961. MoH contributions included hospital beds, office furniture, air conditioners and heaters, refrigeration units for medicine and a generator. IRD/ICAP provided the center with additional office furniture, computers and diagnostic equipment such as stethoscopes, blood pressure cuffs, a spectrophotometer and centrifuges for testing blood.
- Under the new cooperative agreements for CAP-II, the implementing activities by all four CAP partners will increase. Increased the focus of the program on income and employment generation, conflict mitigation and prevention and advocacy skills of community associations to engage local government. CAP-II will build upon the foundation created in Phase I in terms of links between communities and their governments by leveraging an engaged citizenry and involving communities in rebuilding their own future. On one side, CAP implementers will coordinate closely with PRTs to ensure that available resources address the needs of the communities, and that projects link with the identified reconstruction and stabilization strategies of local and provincial governments. Simultaneously, the program will encourage and facilitate formalized community coordination between the CAGs and local and provincial governments, promote transparency and accountability at all levels and encourage local buy-in through mechanisms such as community and local government contributions to projects.
- Economic and Business Development (EBD) projects will continue to play an important role in revitalizing the local economy and providing entrepreneurs and small and medium size businesses with financial and technical assistance. EBD projects fall into one of the following general categories:
  - 1) Cooperative Societies Grant Program
  - 2) Competitive SME Grants Scheme for Private Enterprises Program
  - 3) Technical Assistance; vocational schools and managerial training
  - 4) Market Places (owned by cooperatives or private societies, not individuals)
  - 5) Handicap Activities; vocational schools and shelter workshops.

Staff works closely with the community to identify new business ideas in an effort to meet the expanding assistance needs of businesses and entrepreneurs.

- In addition to increasing citizen participation in the development process, CAP activities provide an important link between residents and the local government. This is achieved



through close interaction and coordination with local government officials when projects are being approved and implemented. In the past, obtaining the necessary project approvals and permits to implement CAP projects presented a significant and time-consuming challenge. IRD/CAP has alleviated this problem by appointing staff that are responsible for working closely with the appropriate government entities in Baghdad to ensure that proper procedures are being followed. This effort has led to greater awareness and appreciation from the local government for CAP projects and helped reduce approval times. CAP also supports local government by implementing projects that directly improve their ability to deliver effective services to the communities. For example, a number of CAGs have identified and prioritized projects to supply the local municipality and directorates with equipment.

- CAP also serves as a link to local government by developing the skills of CAG members and preparing them to take on leadership roles in the local government.
- CAP includes a special emphasis on promoting cooperation between communities and tribes as an important first step in re-building a truly democratic Iraqi society. The CAP process of inclusion of all community and tribal groups in the local community associations and regional cluster associations models and encourages collaborative decision-making between and among groups who have often traditionally related with one another through conflict. CAP implementing partners explain to communities upfront that in order to participate in CAP, elected community associations should be inclusive and representative across ethnic, confessional, gender and tribal lines.

#### **Support Transition to a new Permanent Government:**

- Finished training the newly -hired Council of Representatives (CoR) Research Directorate staff. The Directorate is now fully furnished and operational. Staff in the Directorate have been trained to support the newly elected CoR and will continue to support the newly elected CoR and government over the next four years.
- Conducted orientation training for the members of the CoR. Technical training sessions will continue to be held as well as overseas and regional study tours for the purpose of learning about other systems and models of democracy. This training is important as the needs of CoR staff are great and the majority of the CoR members are new to their jobs.
- Provided communications and media relations training and consultations to the CoR press offices.
- USAID began to close out its support to the project, however the activity will continue under the State Department's financial grant support. The impact of the program has been substantial as it not only shepherded major electoral events in January 2005, October 2005 and December 2005, but also laid the foundation through the transitional period for the work of the newly elected government over the next four years.



- Since the governance program's inception, USAID partners provided technical experts to train the members of the Iraqi Transitional Government and the Iraqi National Assembly (INA) to professionalize government practices. The executive branch received training in developing a governing process, rules and procedures and regulation, while the legislative branch was trained in lawmaking, representation and executive oversight. All of the INA members and staff attended orientation sessions and training in areas such as parliamentary procedure to help them function as a professional legislative body. To educate voters about the significance of the constitution, USAID partners distributed 1.35 million pamphlets and supplements on the Constitution in both Arabic and Kurdish. 10,000 educational constitutional workshops reached over 300,000 people throughout Iraq, including women and Sunni Arabs. Women and civic leaders were given the tools and training to advocate for their rights to be included in the Constitution and then to vote for those changes.

### **Election Support and Voter Education:**

- Due to the delays in the formation of the new government, there is no electoral law in place at present and no firm date has been set by the Parliament for the next series of elections. As a result this activity has been delayed until the new government establishes the new election date.
- The Independent Electoral Commission of Iraq (IECI) held a lessons learned conference during the reporting period, but the IECI Board of Commissioners was dissolved. The IECI was later re-established as a temporary measure. A new High Commission for Elections has yet to be formed by the newly elected government. The voter registration system is being reviewed with the intent to plan and develop a much improved system for the next elections.
- The drafting of a strategic plan for IECI capacity building will be delayed until the new government establishes a new High Commission for Elections and a new Board of Commissioners.
- Until a new High Commission for Elections is established along with its secretariat, the current IECI will provide administrative assistance specific to the IECI mandate.

### **Civil Society and Media Program:**

- Supported a coalition of media organizations to advocate for a new law on public broadcasting that would eliminate the government's role in nominating board members of the public broadcaster Iraqi Media Network (IMN). Advocacy efforts included publishing a draft IMN law in Al-Sabah and Addustoor newspapers and in Al-Shabaka Al-Iraqiya (The Iraqi Net) magazine; in cooperation with Iraqis for Public Broadcasting and the Legal Culture Association, held a series of workshops raising citizen awareness on public broadcasting and workshops for journalists to discuss draft laws; and, working with and publishing interviews with government leaders on the importance of the public broadcasting concept, preventing any kind of interference in public broadcasting,



neutrality and independence of media and other related issues. Once the parliamentary committees are formed the coalition will lobby interested members of parliament to sponsor the draft law for CoR approval. "Iraqis for Public Broadcasting" is the driving force behind the coalition, along with the National Association of Journalists and other media organizations

- Supported an advocacy campaign comprised of over 600 CSOs across the country to reform CPA order No 45 on Non-Governmental Organizations (issued in late 2003) and the three non-governmental organizations laws previously adopted under the Kurdistan Regional Government's administrations: Laws 15 and 18 in Erbil and Law 297 in Suleimaniyah (1999). Numerous provisions of the Iraqi Civil Code (1951) regarding the establishment and functioning of societies also would seem to still have legal force, as well as various laws on labor and socio-professional associations ("Syndicates"). Since 2003, a number of alternative draft laws were developed and it is believed that at present there are eight or nine alternate drafts for CSO legislation presently circulating in Iraq. In each of the Iraq's Civil Society and Independent Media Program's (ICSP) four operational regions (Baghdad, Basrah, Hilla, Erbil) participating CSOs established regional committees and crafted comprehensive recommendations or draft laws on NGOs. With ICSP support and technical assistance, an inter-regional committee then worked on harmonizing these 4 drafts. The final result was presented at a National Conference held in Baghdad May 5-7 with over 200 CSO representatives and mandated delegates of regional and governorate-level committees in attendance. The draft law on CSOs that was adopted at this Conference is presently being finalized by a "national legal committee". Once completed, the document will be distributed to the regional committees and from there made available to CSOs all over the country. This same legal committee will also formally submit the text to the Executive branch of the Iraqi government and to the Council of Representative.
- Supported efforts to mitigate ethnic/religious tension. For example, helped promote tolerance in Dahuk's Semel district through workshops entitled "The Relationship between Human Rights and Islam," designed to mitigate religious and ethnic tensions and promote understanding and tolerance. These initiatives are particularly strong in Mosul, Kirkuk and other difficult environments. Over the past six months in particular, ICSP has initiated in all four of its operational regions in Iraq, a number of civic forums and regional conferences dealing with various aspects of ethnic and sectarian divisions and conflicts. These events have brought together community leaders, local government officials, police officials, politicians, religious leaders, scholars, students and young people, women leaders, Iraqi citizens of all socio-economic sectors and CSO representatives. Formal topics for these events have included "National Unity", "National Pluralism", "Islam and Democracy", "Human rights, Islam and Democracy", among others. ICSP has also supported Iraqi CSOs' direct efforts to engage local communities, citizens and public officials on these issues, through numerous Fixed Obligation Grants (FOGs) awarded to CSOs on a competitive basis in order to implement various projects related to these themes: some have consisted of awareness-raising activities such as posters, booklets, mobile theater activities in urban and rural areas, cultural exhibitions, radio programs, workshops and conferences.



- Last January, in the north region, ICSP awarded such a grant to a Dahuk-based CSO. The project aimed at organizing a series of workshops and conferences on the topic of ethnic and religious tolerance in Sumeil district and in the towns of Khankey, Miserek and Moqubley, in addition to the center of Bateel and Derabun sub-districts. These areas are inhabited by Muslim Kurds, Yezidi Kurds, Christian Caldo-Assyrians and Armenians and Arabs. The impact of these workshops was felt to be extremely positive by participants and their relatives and family members and by the general public in these targeted towns. The implementation team noticed that the local people were surprised to have these kinds of subjects discussed openly, especially in areas such as Khankey, Miserek and Derabun. Local administrative, political and social authorities played a supportive role and all evaluated the project as having represented an important step towards a strengthening of civic values.
- Continued assistance to support independent media outlets that are central to the success of Iraq's anti-corruption, human rights, women's rights and democracy-building initiatives.

### **Transition Initiatives (USAID)**

- USAID's Iraq Transition Initiatives (ITI) program has supported critical actions that build and sustain Iraqi confidence in the transition to a participatory, stable and democratic country. Iraq Transition Initiatives activities focus primarily on areas crucial to the development of democracy such as civil society, women's and youth participation, good governance and conflict mitigation.
- Many Iraq Transition Initiatives activities use community participation to manage and mitigate sources of tension in current or potential conflict areas through projects that repair community infrastructure and employ Iraqis to clean-up their neighborhoods. Conflict mitigation and stabilization have been objectives of 4,015 Iraq Transition Initiatives grants worth over \$258 million. A poll conducted by multi-national forces, and published by the British press indicated insurgent activity was usually spurred by young adult males. In an attempt to mitigate conflict, Iraq Transition Initiatives activities specifically targeted this demographic with job opportunities. By giving young unemployed men, vulnerable to insurgent activity, a constructive activity and a means to support their families, the grant activities helped mitigate conflict and discontent in targeted areas.
- Short term Employment: USAID OTI provided 2,354 short-term employment grants worth over \$212.4 million, hiring on average over 25,800 persons per month since the beginning of FY 2004. Since April 1, 2006 the USAID OTI Short-term Employment Program completed 341 employment grants worth over \$22 million which hired on average 17,700 persons until the end of April when the employment program ended.



## OTI Employment by Quarter

Quarters	1	2	3	4	5	6	7	8	9
Period	Feb-Mar 2004	Apr-Jun 2004	Jul- Sep 2004	Oct- Dec 2004	Jan- Mar 2005	Apr-Jun 2005	Jul- Sep 2005	Oct-Dec 2005	Jan-Mar 2006
# of Grants	12	152	380	320	605	290	391	256	217
Months of Work*	8,404	52,261	102,855	74,232	141,223	56,470	66,801	62,576	30,097

\*Job opportunities vary in length of employment, therefore employment grants are measured according to number of employees multiplied by the number of days employed. One month of work = 26 days of work. Table includes employment generated by grants not specifically targeting employment.

- **Local Government:** USAID OTI provided 230 grants to local governments worth \$10.3 million since the beginning of FY 2004. Since April 1 Iraq Transition Initiatives completed 28 grants totaling over \$1.8 million to build the capacity of local and provincial councils across Iraq. Many council buildings were damaged and looted following military offensives against insurgent forces. The perceived legitimacy and capacity of local councils was damaged or, in some cases, never firmly established. Grant activities helped provide basic rehabilitation of municipal and regional government offices to bring them back into operation.
- **Youth Activities:** USAID OTI provided \$6.1 million in grants to youth since the beginning of FY 2004 supporting a range of activities. Since April 1 Iraq Transition Initiatives spent over \$270,000 in the Ninewa, Baghdad and Al Anbar Governorates for grants funding sports, art and literature as well as other cultural programs. These grants provided vocational education opportunities, informed children and adults about children's rights, sponsored arts and cultural programs for children and encouraged the involvement of youth and young adults in democracy and government. In addition, Iraqi youth participated in grassroots public education projects as part of a multi-faceted citizen engagement campaign building a sense of community ownership in concurrent trash and sewage removal projects. Furthermore, in order to help provide young people with opportunities to spend free time in safe and productive environments, Iraq Transition Initiatives rehabilitated and/or equipped sports centers and parks and established sporting leagues throughout the country.
- The reported impacts of the program are the increased economic opportunities, the enhanced ability of women to participate in society, the eased tensions in ethnically mixed areas and increased capacity of government, both national and local, to provide limited essential services. But perhaps the most long-term, if indirect, achievements resulted from projects for young people and their care-givers; these have the potential to inspire the next generation of voters and leaders.



- The clean-up grants made positive impacts at several levels. At the most basic level, removing trash and sewage has remarkably improved the cleanliness and sanitation of communities, thereby lowering the likelihood of illness. At an additional level, anecdotal evidence suggests that community crime rates decreased in correlation with clean-up projects. Only a full, independent evaluation of the grants, when the security situation permits, can determine the true impact and effectiveness of the ITI program.
- All activities resulting from assistance provided through the Office of Transition Initiatives concluded April 30, 2006. Implementing grants totaled \$288.2 million under this project code. OTI program will exit Iraq June 30.

#### **Accomplishments anticipated next quarter:**

##### **Department of State/DRL**

- Over the coming quarter, NDI will use 2006 Foreign Assistance funds to continue building on existing programs.
- Provide assistance and technical expertise to members and the staff of the Council of Representatives (CoR) to support processes to develop democratic and transparent internal policies and structures and to effectively liaise with the executive branch;
- Foster transparency and commitment to public dialogue in the public policy making process on the part of the new legislature and government; and
- Expand the number of civil society organizations that are sustainable over the long term; develop credible management practices capable of building a conduit between the Iraqi government and the people and that focus on legislative and executive strengthening, civic participation and strengthening political parties.
- USIP Sunni-Shia follow-up conference on constitutional review will likely occur before August.
- In collaboration with the Minority Rights Group of the UK, USIP will hold a minorities conference in July, likely outside of Iraq. This conference will have a broader representation of Iraq's minorities than ever before.
- Truth & Reconciliation Process (TRP) film: USIP is developing a distribution plan and a teaching guide to go along with the film and is exploring the use of radio to support the TRP goals.

##### **Department of State/INL**



- Continue supporting CPI in building investigators' capacity to obtain evidence, interview witnesses and effectively build cases against corrupt government officials.

#### **Women's Democracy Initiatives (State - DRL and G/IWI):**

- 20 media trainees will work on actual story production with experienced international editorial trainers.
- Establish two women's resource centers in Karbala and Basra.
- Roll-out of outreach to Iraqi students and youth through universities in north, central and south Iraq.
- Provide micro-grants to nine independent women's NGOs in north, central and south Iraq.
- Begin arrangements to train trainers of staff of Ministries of Women's Affairs and Human Rights.

#### **USAID**

##### **Local Governance Program:**

- Participate in site assessments to establish PRTs in Najaf and Erbil.
- Assist with the standup of the Najaf and Erbil and the inauguration of the Diyala, Dhi Qar, Basrah PRTs.
- Conduct second PRT orientation training in Ramadi for newly arrived Marines.
- Help to review and comment on three-month updated work plans for Hilla, Mosul and Kirkuk.
- Conduct strategic planning and basic training on transparency for new PRTs in Mosul, Tikrit, Diyala, Baghdad, Najaf, Qadisiyah, Wasit, Karbala, Dhi Qar, Muthana and Basrah, including: a) Provincial Council legal authorities and responsibilities, b) council work methods, c) PC management duties, d) transparency and working together and e) public budgeting and auditing.
- Hire an information/database specialist to better support and track LGP assistance and easy dissemination of information to PRTs.

##### **Community Action Program:**

- Approximately 318 community-based projects valued at \$12 million will be completed to support process-driven and demand-based development. CAP aims to provide citizens



with improved access to quality health, education, recreational, water, waste and other services through the provision of improved infrastructure. Simultaneously, implementing partners seek to strengthen new or existing community associations that will experience improved ownership through participatory planning and that will learn to operate according to high standards of accountability and transparency.

- Through the business development component of the CAP program, CAP partners will implement 62 new projects valued at \$1.85 million in Baghdad Province that will generate 300 new long-term jobs.
- Business Development officers worked closely with community mobilizers to identify new business ideas in an effort to meet the assistance needs of businesses and entrepreneurs in Baghdad. These grants are distributed fairly among all districts of Baghdad in an attempt to spread the benefits and meet the needs of all requests emanating from the various communities.
- The diversity in the types of businesses is a main consideration: agricultural, manufacturing, construction and service business sectors are given priority. Agricultural projects (e.g. cattle and sheep breeding, hen egg farms and dairy factories) make up a large percentage of total projects.
- These types of businesses are rated the highest among all other businesses in terms of job creation.

#### **Support Transition to a new Permanent Government:**

- The relevant USAID agreements will end on July 31. The program's impact has been significant as it has provided support to newly elected members of the CoR, government officials and civil society. Without this foundation the newly elected government would be ill prepared to assume its role in democratic governance.
- Conduct close-out activities such as disposition of assets and termination of agreements, which includes the demobilization of personnel. Similar governance activities are expected to be funded under State/DRL after USAID close-out.

#### **Election Support and Voter Education:**

- Election Support is expected to be extended on a no-cost basis until September.
- Work with the GoI, UN and other donors to maintain the IECI activity and integrity until a new Iraq Election High Commission can be established.
- Provide legal and policy counsel on electoral-related legislation considered by the new CoR.



- Assess voter registration data base, conceptualize and prepare a stand alone registration strategy for country-wide voter registration update in time for the next elections.
- Prepare strategic and operational planning and budgeting for regional, governorate, district, municipal and referenda elections.
- The voter education component will close out on July 31, 2006.
- Support will continue to be provided to build the capacity of domestic monitoring organizations and to increase civic participation in governmental decisions.
- Support will continue to be provided to assist civil society groups that comprise the Civic Coalition for Free Elections.
- Special attention will be given to women's NGOs to enhance their organizational capacity to educate and empower women to participate in Iraqi political life.
- IFES has been providing electoral assistance in Iraq since September 2003, when a comprehensive assessment mission provided the Interim Governing Council and the CPA with options and advice for building an electoral process into Iraq's larger transitional process from occupation to a sovereign government under a new and democratic constitution. In early 2004, IFES worked closely with the UN to establish a legal and institutional framework for the elections required by the Transitional Administrative Law, including the creation of the Independent Electoral Commission of Iraq (IECI). After the IECI's establishment in June 2004, IFES played a central role in the UN-led International Electoral Assistance Team, helping the IECI to build itself from nine appointed commissioners to a nationwide organization capable of managing a complex election in only eight months. With support from USAID, IFES provided robust technical assistance to the IECI in, among other areas, legal and regulatory issues, operational planning and budgeting, political entity certification, logistics and operations, voter education and public outreach, finance and administration, procurement and training. In addition, IFES managed an emergency procurement fund which ensured that temporary financial complications would not force the postponing of the elections. Following the successful January 30, 2005 elections for the Transitional National Assembly, IFES provided technical advice on all aspects of election preparations for the October 15, 2005 Referendum on the Iraqi Constitution and the December 15, 2005 election for the Council of Representatives.
- Specifically, since March 2005 IFES elections experts have advised and assisted IECI in general capacity building, drafting of regulations and procedures, designing the referendum and national assembly ballots, supervising ballot printing and delivery to Iraq, voter registration update, training of some 170,000 polling staff, development of registration and other databases, voter education, political entity registration, observer accreditation, tallying of the results, community outreach by members of the IECI Board of Commissioners, as well as advice for the out-of-country voting (OCV) program. In addition, IFES helped print, publish and distribute some 120,000 copies of the Iraqi



Constitution in the days before the Referendum. IFES continues to work with the UN and the IECI to ensure that a firm foundation is laid for a permanent electoral management body of Iraq.

#### Civil Society and Media Program:

- 400 training and technical assistance support sessions are planned to support civil society organizations in such areas as organizational development, their work on human rights, women's advocacy and anti-corruption.
- Regional and national CSO legislative observatories are being established and supported to act as parliamentary watchdog groups to support a link between networks of CSOs and to serve as interface between civil society and legislative bodies of government;
- CSO satellite centers are to be established to expand the Civil Society Resource Center (CSRC) outreach support to CSOs throughout the 18 governorates. In each of ICSP's four operational regions, a Civil Society Resource Center (CSRC) has been established in order to provide technical assistance and training to Iraqi CSOs, as well as to support their activities through a small grants program. In order to strengthen these CSRCs' outreach capacities in outlying governorates, ICSP is presently implementing a strategy of fostering a stronger technical relationship between its regional centers and key partner CSOs. Satellite Centers now offer local CSOs basic services such as access to technical libraries, computer and internet services, meeting rooms, etc. Under ICSP supervision, their technical and administrative capacity will be progressively strengthened until they can directly offer sector-specific training and technical services; similar to those offered in the CSRC's themselves. It is hoped that the partnership between the four ICSP/CSRCs and their governorate-levels Satellite Centers will continue to grow into the future, perhaps resulting in the evolution of these small CSOs into branches of one or more independent and sustainable Iraqi NGOs. The ongoing Simplified Grants, awarded to a small number of CSOs in order to implement pilot Satellite Center projects, should help ICSP and USAID better assess the viability of such a strategy.
- The national conference body on the NGO Law will table its legislative proposal to the Council of Representatives.
- CSOs will continue their anti-corruption national public awareness campaign and training of government officials. The National Anti-Corruption Awareness Campaign continues to grow and succeed. Most of the program depends on small grants to Iraqi civil society organizations and will continue with available grant funds. Moving forward, there is a strategy to transition the anti-corruption awareness programs into advocacy programs. These advocacy programs will be directed at achieving specific impacts on the community and government. In short, people will be encouraged to actually do something about corruption problems in their community or government agency. Advocacy and training efforts directed at government officials are not ministry-specific. Corruption is a widespread problem that is not limited to a few ministries. The ICSP strategy is not Baghdad-specific either, as most national ministry employees actually



work in directorate offices at the governorate level. Many of the ICSP workshops bring in employees of multiple ministry directorates as well as employees of governorate offices and municipal governments.

- NINA – the independent news agency will be increasing its revenue base through subscriptions and English language services, with the goal of being totally self-sustaining within six month.
- Media legislation is being developed to support the independence of media.

**Marla Ruzicka Iraq War Victims Fund**  
**Project Code: 06050**

**Responsible U.S. Government Agency: USAID**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	-	-	-	-	25	-	25	20	9
Change from April	-	-	-	-		+5	+5	-	-
July 2006	-	-	-	-	25	5	30	20	9

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Changes from the April Report:** This report reflects an allocation increase of \$5 million through the transfer of funds from the Economic Support Fund (ESF) as required in P.L. 109-234. This transfer increases the allocation of project code, 06050, to \$30 million.

Funds dedicated to the Marla Ruzicka Iraqi War Victims Fund (MRIWVF) are used to assist individuals, families and communities harmed as a result of coalition military operations. Projects vary greatly, and include medical assistance, trauma counseling, income generation, home and public building repair and assistance to local organizations supporting war victims.

Over three thousand possible individual and family victims have been identified from government and private sources. The staff of CAP implementing partners has visited more than thousand families to determine their eligibility in the program. Victims are eligible if they have lost their family breadwinner, or lost a limb as a result of the activities of the coalition forces.

To date, 906 projects valued at \$14 million have been sponsored by the MRIWVF. These projects have assisted over 1 million beneficiaries, generated 169,000 short-term jobs and employed 6,332 people.

The number of victim families is very high and there are not sufficient funds to help all the individuals or families who meet the tough eligibility criteria. It was decided that the totality



of the family's circumstances will be reviewed, and no single criterion will be used. The most important selection criteria are poverty and dire need, the victim is the only family breadwinner, geographic location and good documentation, including strong proof of causation. The last criterion, proof of causation, is often problematic, particularly in certain areas because police records are hard to obtain and some areas did not establish police stations until 2004.

For many Marla Fund recipients, establishing small businesses for the victims and/or their families provides much-needed family income, one or two full-time jobs and gives families a small economic base to help them overcome their loss. Many of the new businesses have been agricultural in scope such as cow or sheep raising farms. The Marla Fund also has supplied support to start grocery shops, electrical appliance shops, tire or puncture repair shops and small appliance repair shops. A number of female headed households also requested sewing supplies and equipment to start their own small enterprises.

One major change this year was to incorporate business development training into the Marla fund program. Before a Marla fund recipient receives a grant to begin a small business a certain level of training is required. Therefore, after a family is determined eligible, a family member will attend the business training and then afterwards, he or she will work with a CAP implementing partner staff person to choose a business that meets his or her abilities and needs.

#### **Accomplishments since the April Report:**

- Completed 63 new projects valued at \$592,770 that assisted individuals and/or communities. Illustrative projects include: housing rehabilitation, supply of equipment and furniture, medical projects and income generation projects.

#### **Accomplishments anticipated in the next quarter:**

- Complete 70 new projects valued at approximately \$1.4 million

#### **United States Institute of Peace (USIP)**

**Project Code: 07000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	10	-	-	-	-	-	10	9	8
Change from April	-	-	-	-	-	-	-	-	+1
July 2006	10	-	-	-	-	-	10	9	9

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** U.S. Institute of Peace (USIP)



**Changes from the April Report:** This report maintains the \$10 million allocated for USIP.

**Accomplishments since the April Report:**

- Continued support for the workshop on human rights, human rights curriculum and methods of teaching in this field for Iraqi university personnel. The workshop was conducted the last week of June (~\$11,600).
- Continued to support an Iraqi-managed Strategic Economic Needs and Security Exercise (SENSE) capability. USIP established a partnership between two Iraqi NGOs, which are working together to provide conflict mitigation training and the SENSE simulation to audiences within Iraq. Interest in this training has been expressed by a variety of institutions including the Baghdad PRT, Research Directorate of the Council of Representatives, Kurdish Parliament and several Ministries including Foreign Affairs, Finance, Housing and Construction and Health. USIP support will continue through the completion of FY 2006 (~\$164,000).
- Developed a beta version of the interactive Arabic version of the distance learning course on Conflict Analysis. It is currently undergoing reliability testing. USIP anticipates a final version of the course to be posted on the USIP website and thus will be available to the Arabic-speaking world before the end of the fourth quarter of FY06 (~\$7,000).
- Sent a finished manuscript for the revised edition of the USIP *Guide to Participants in Peace, Stability and Relief Operations* to USIP Publications for processing. The publication schedule plans for the *Guide* to go to print on November 11, 2006, shipping in late December 2006. Currently, the *Guide* is undergoing external peer review (~\$32,000).
- Continued support to the Iraqi Institute of Peace (IIP), enabling IIP to organize a series of conferences for Sunni and Shia leaders to promote reconciliation and to reject political violence (~\$30,000).
- Concluded or entered the final stages of 26 grantees' project activities. Projects address issues such as women's empowerment, strengthening of moderates, fostering intercommunal dialogue and the promotion of the rule of law and human rights (~\$1.8 million).

**Accomplishments anticipated in the next quarter:**

- Translate material into Arabic for future online courses (projected curriculum includes courses in Negotiation, Mediation and Cross-Cultural Communication) (~\$30,000).
- Hold a Sunni/Shia dialogue on constitutional review for mid-to-late summer that will follow up on the Sunni conference (February) and build on inter-sectarian bridges being forged by USIP's Iraqi staff, affiliates and partners. Timing will be determined by evolution of the constitutional review process (~\$150,000).



- Completed Special Report, “*Weak Viability and Equity: The Iraqi Federal State and the Constitutional Amendment Process*,” which will be accessible on the USIP website shortly. It will also be translated into Arabic (~\$6,000).
- Partner with organizations over the summer to insure that Iraqi civil society is engaged and informed about the constitutional review process that will begin in the fall. USIP had much success with similar work during the constitution drafting period by collecting feedback from the public for the drafting committee (~\$80,000).



## **SECTOR: Electricity**

IRRF funding continues to focus on providing a foundation for the building of a robust network rather than constructing a completely new system. The USG efforts, however, have faced a series of challenges, including interdiction of transmission and fuel lines, shortages of optimal fuels to operate power generation plants efficiently, unplanned power outages due to weakened infrastructure and, finally, a consistent increase in demand since liberation as the Iraqi economy grows. The combination of these factors reduces the visibility to consumers of improvements in the electric sector.

The objective of IRMO's electricity sector strategy is to implement a reconstruction program that adds, restores and maintains generating capacity to the national grid and to improve transmission and distribution systems in order to adequately support the added generation and to increase resiliency and redundancy. In addition, IRMO seeks to increase the visibility to consumers of projects and to make the program more responsive to the needs of the new unity Government of Iraq. The IRMO and Ministry of Electricity (ME) strategy addresses the following critical areas:

- **Summer and Winter Peak Demands:** A Summer and Winter Action Plan targets specific projects that can increase hours of power while sustaining the electricity infrastructure throughout the annual summer and winter peak periods.
- **Equitable Distribution and Reliability:** The USG and the ME share a mutual concern over the continued problem of shifting power from the North and South provinces to provide equitable hours of power to all regions of Iraq. Distribution projects, therefore, are currently underway to maximize the availability of electricity throughout Iraq. One key USG project is the installation of an automated control system. When completed in April 2007, this system will decrease the reliance on manual operators and implement control mechanisms that alert operators of imbalances in power transmission. The system should reduce system interruptions and power outages.
- **Operations and Maintenance:** The long-term success of reconstruction efforts relies on the ability of the ME to execute an effective Operations and Maintenance (O&M) program. The Embassy estimates, however, that the ME's electrical infrastructure will be impacted by a significant budget shortfall in its budget for calendar year 2006 to meet capital and operating expenses. USG agencies under IRMO leadership continue to assist ME officials to create a budget, implement a long-term maintenance program and adopt other business practices that maintain capital assets turned over to the Ministry. The USG is currently assisting the ME conduct scheduled routine maintenance for a number of generation facilities to ensure sustainable operations throughout critical summer and winter peak demand periods.
- **Capacity Development:** In order to move toward an efficient and productive organization, the ME needs to develop, enhance and better organize skills, systems, resources and knowledge, so as to improve abilities, individually and collectively, to perform functions, solve problems and set and achieve objectives. Under the National



Capacity Development initiative, IRMO is partnering with the ME to establish a fully functional ME-lead Ministerial Advisory Team (MAT) that includes USG agencies and other donors. Through the MAT, the ME's capacity development priorities will be communicated and resources identified.

### **Priority Issues to be Addressed Over the Next Quarter**

Over the next quarter, the USG and the ME will build a strong working partnership with the new Minister of Electricity, Dr. Karim W. Hasan, and continue to address critical challenges, such as fuel shortage and quality issues; improved management of planned outages and reduction of unplanned outages; and improved centralized monitoring and control system. As part of an on-going effort to assist the Ministry in tackling these issues, IRMO coordinates regular meetings with the Ministry, GRD/PCO, USAID and donors. These meeting have been vital to the progress of generation, transmission and distribution projects by enabling the participants to jointly solve technical and operational problems. Focus for the next quarter will be on the following areas:

- **Summer Peak.** In conjunction with the Joint Summer Action Plan, efforts of the ME, USAID and GRD/PCO aim to achieve an increase in power generation levels. The ME and USG have developed a coordinated sustainability plan that includes the execution of hot gas path and combustion inspections; provision of spare parts and consumables; and provision of required maintenance for plant equipment, without which, plants will experience gradual decline in MW production. There have been some delays in implementation of the Summer Action Plan, primarily as a result of the formation of the new government and continued funding problems at the ME. Progress is being made, but it will be difficult to achieve the goals and objectives set out in the Plan.
- **Obligation of available IRRF funds in priority projects.** The new Minister has reviewed the entire IRRF Electricity program and deemed generation the number one priority. IRMO worked with the Ministry to identify priority projects and is in the process of transferring \$71.3 million from transmission and distribution to generation, pending Congressional notification.
- **Asset Recognition and Hand Over.** IRMO is working with PCO and USAID in a formal process to hand over care and custody of capital assets provided by the USG. This process is meant to provide the Ministries of Electricity, Finance and Planning the necessary information to recognize and budget for the sustainment of capital assets.
- **Operations & Maintenance (O&M).** As new and rehabilitated generation plants come on line, the execution of the long-term O&M support contract is important in helping to prevent the gradual deterioration of the machines, extend their longevity and institutionalize a proactive O&M culture throughout the ME. With this program, key power plants will develop the necessary technical capacity vital to sustaining the operation of the systems. The O&M program is structured as a partnership with the ME and includes on-site training and mentoring at eight key sites. In addition, when the new central monitoring facility is complete, the O&M contractor will provide personnel to



help the ME monitor these power plants and conduct predictive maintenance analysis. The Baghdad Ring receives the greatest attention. IRMO allocated \$90 million for O&M projects at eight power stations, four of which are located in the Baghdad Ring.

- **Fuel Issues.** As generation projects are commissioned and brought on line, the issue of fuel supply grows substantially more critical. The frequent interdictions to crude and natural gas lines further burden the available fuel supply and force the ME to burn less than optimal fuels. Use of incorrect fuel has consequently diminished power generation and led to higher O&M costs. Actions are underway between the ME and Ministry of Oil (MoO) to develop plans for further pipeline additions and associated equipment at the power facilities to ensure adequate and higher quality fuels.
- **Completion of Daura Power Plant.** Combustion turbine Unit 6 has been delayed due to the incomplete work under the responsibility of the ME and their subcontractors. Under the direction of the new Minister, Dr. Karim W. Hasan, the ME has committed to complete the necessary requirements to bring the unit on-line as soon as possible. At the same time, IRMO has approved funds for a contract to provide start up and commissioning assistance; and a project execution plan has been developed in partnership with the ME.
- **ME New Generation Projects.** The ME must complete key generation projects that have been under construction for almost two years. IRMO will work in partnership with the ME to facilitate technical assistance and logistical and security support with the help of MNF-I. These power plants include:
  - Samarra Power Plant generators to add 340 MW operating on heavy fuel oil
  - Mussiab Gas Turbine Power Plant to add 500 MW operating on diesel produced from topping plant
  - Najaf Power Plant to add 246 MW operating on natural gas
  - Baghdad South Power Plant to add 400 MW operating on heavy fuel oil
  - Haditha Power Plant to add 230 MW operating on diesel
  - Hurriah Power Plant to add 60 MW operating on diesel
  - Baghdad North generator to provide 55 MW operating on heavy fuel oil
- **Unplanned Outages and Delays.** Several major events have affected the expected power generation and transmission during the summer months.

Baghdad's average hours of power have significantly lagged behind the rest of Iraq for the past 6 months partially due to the inability to transfer power from large plants in northern and southern Iraq. In the north, sabotage and, to a lesser degree, weather-related damage of transmission lines has prevented the transfer of up to 600 MW of power to Baghdad. In the south, inequitable power sharing has resulted in further losses. The combined loss has resulted in Baghdad's average hours of power to be 4 to 8 below the rest of Iraq. We are assisting the Government of Iraq to improve its linear security and rapid repair capability and to enforce power sharing agreements.



A major sinkhole at the Mosul Dam has led to a reduction in water levels at the dam for safety purposes and will reduce output from hydro-power plant operations. Estimates indicate a loss of more than 400 MW due to reduced water levels. Mosul Dam was constructed in the early 1980s on a foundation of marls, soluble gypsum, anhydrite and karstic limestone that has been dissolving since Dam became operational. The Ministry of Water Resources has been conducting continuous grouting operations to fill voids and fractures created by dissolution and erosion of underlying strata since 1980. The recent sinkhole is a manifestation of subsurface cavities. The U.S. government has allocated \$30 million to procure equipment, studies, and materials to support the grouting operation at the Dam site. The Ministry as well as the UN Food and Agriculture Organization are also procuring equipment and materials. The new equipment and materials will enhance the grouting operation at the Dam, which should enable the Ministry to operate the Dam at its normal capacity in the future.

Repairs are complete at the Khor az Zubayr power station, where a faulty valve operation led to an explosion, affecting about 120 MW of power output.

- **Ministerial Advisory Teams (MAT).** The Minister of Electricity and his senior staff are committed to improving the institutional, organizational and individual capacities within the ME. A Director General has been named to chair the multi-national Electricity Ministry Assistance Team (MAT) and the Minister has established immediate-need capacity development priorities. Through the MAT, the ME will communicate short and long term priorities, access donor funding and resources and demonstrate their commitment and desire to cooperate and partner with donors. IRMO will assist the ME in organizing and coordinating MAT meetings and provide resources for short and long term priorities.

## Generation

**Project Code: 40000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlaid
2207 Report									
April 2006	1,870	-272	10	-	16	-	1,624	1,439	987
Change from April	-	-	-	-	-	+112	+112	-16	+107
July 2006	1,870	-272	10	-	16	+112	1,736	1,423	1,094

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO and USAID

**Changes from the April Report:** This report reflects a previous notification to Congress of the Administration's intent to increase this project code by \$71.3 million which reallocated \$62.3 million from Transmission (PC 41000) and \$9 million from Network Infrastructure (PC 42000) to priority projects within Generation.



It is also the intent of the Administration to notify Congress of an additional increase of \$40.5 million – of which \$27.7 million would be reallocated from Distribution Network Infrastructure (PC 42000) and \$12.8 million from Transmission (PC 41000) – to support priority requirements such as the conversion of Bayji units 3 and 4 to a dual fuel system.

### **Accomplishments since the April Report:**

#### **DoD**

- The contract with United Services for Long Term Operations and Maintenance (O&M) of electrical generation facilities in Iraq was terminated on June 17, 2006. This decision was based on the contractor's failure to perform in accordance with contract specifications, including repeated delays in mobilizing. The contract will be re-awarded as soon as possible to provide advisory services for generation sustainability to the Ministry, on-site mentoring and training at eight key generation sites, one tiger team and a central support team (\$90 million).
- Continued the O&M Spare Parts Program to procure high priority emergency and operating spares to increase sustainability for the Ministry (\$30 million).
- Started installation of a GE Frame 5 turbine generator (21 MW) at the Old Mulla Power Station (\$8 million).
- Started the refurbishment of the GE Frame 5 turbine generator (21 MW) at the Shuaiba Power Station (\$10 million).
- Completed the removal and refurbishment of three LM6000 engines (3x33 MW) at the Qudas Power Station (\$11 million).
- Started the hot gas path inspections of two Siemens V94.2 Frame generators (2x100 MW) and combustion inspections on two other V94.2 engines (2x130 MW) at the Bayji Power Station. The work includes the upgrades of two of the unit's combustors, increasing output 30 MW (\$56 million).
- Started and completed the hot gas path inspection of one GE 9E Frame generators (2x100 MW) and one CI of a GE 9E unit (100 MW) at the Qudas Power Station (~\$25 million).
- Started the installation and commissioning of a new LM2500 turbine generator (20 MW) at the Bayji Power Station (\$4 million).
- Started and completed the construction of the V-SAT to improve communications (\$2 million).
- Completed the O&M training of ten Ministry engineers in Houston on the Siemens V94.2 Frame (\$230,000).



- Started the construction of the remote monitoring system facility. The new facility will house the remote monitoring system, which will use the newly constructed SCADA system to transmit data to a central location where engineers will analyze data and direct maintenance and trouble shooting support (\$1 million).
- Started and completed the emergency repair of Khor az Zubayr Unit 5. Emergency repairs were required after the unit experienced a start-up explosion that took it off-line. The repairs will bring the unit back on line and restore 123MW to the grid.
- Started the combustion inspection of a Siemens V-64.3 combustion turbine (65 MW) at the Kirkuk Power Plant. The work is required to sustain operation of the turbine per manufacturer's maintenance schedule (\$3 million).
- Started the repair work on the mobile GE LM2500 engines (2X20 MW), Units 1A and 1B, at the Bayji Power Plant (\$3 million).
- Started and completed advanced power system modeling/simulation training for seven Ministry electricity planning engineers. The training built on successful training given in November 05 and January 06. The trainees acquired advanced skills in the use of an industry standard, state-of-the art transmission planning software (\$400,000).

## **USAID**

- Completed repairs for the two Doura Unit 4 circulating water pumps (\$1.8 million).
- Implemented solutions to correct Baghdad South power plant Fuel Oil Treatment Plant (FOTP) fuel processing capacity limitations and turned over the care, custody and operation of the new 216 MW generation plant to the ME (\$165 million).
- Continued to supply spare parts for sustainment under the USAID O&M project, which includes delivery of one year's worth of spare parts and consumables for Kirkuk power plant, delivery of additional front end spare parts and consumables for Baghdad South CGT plant and fully refurbished parts for two Qudas Frame 9 Hot Gas Path and four Combustion Inspections (\$89 million).
- Demobilized contractors from Kirkuk (\$29 million), Baghdad South (\$165 million) and Doura ME generating plant sites (\$35 million).

## **Accomplishments anticipated next quarter:**

## **DoD**

- Complete the hot gas path inspections of two Siemens V94.2 Frame generators (2x100 MW) and combustion inspections on two other V94.2 engines (2x130 MW) at the Bayji Power Station. The work includes the upgrades of two of the unit's combustors, increasing output 30 MW (\$56 million).



- Complete combustion inspection of a Siemens V-64.3 combustion turbine (65 MW) at the Kirkuk Power Plant (\$3 million).
- Complete the installation and commissioning of a new LM2500 turbine generator (20 MW) at the Bayji Power Station (\$4 million).
- Complete the refurbishment of the GE Frame 5 turbine generator (21 MW) at the Shuaiba Power Station (\$10 million).
- Complete the installation of a GE Frame 5 turbine generator (21 MW) at the Old Mulla Power Station (\$8 million).
- Complete the construction of the remote monitoring system building (\$1 million).
- Start the construction of the remote monitoring system. The system will use the newly constructed SCADA system to transmit data to a central location where engineers will analyze data and direct maintenance and trouble shooting support.
- Complete the repair work on the mobile GE LM2500 engines (2X20 MW), Units 1A and 1B, at the Bayji Power Plant (\$3 million).
- Continue the O&M Support Training for various machines and engineering disciplines. Training modules include: Siemens generators, GE 9Es, vibration, LM2500/6000 and others. The program includes a train-the-trainers component in conjunction with the Ministry's Central Training Program.
- Complete the O&M Spare Parts Program (\$30 million). The program procured high priority emergency and operating spares to increase sustainability of generation units for the Ministry.
- Re-award contract to provide Long-Term O&M Support; this will provide advisory services for generation sustainability to the Ministry. Includes on site training and mentoring at eight key sites (\$90 million).
- Start the construction of the National Training Center to provide training in the basic skills required to operate and maintain generation plants, transmission and distribution substations and overhead lines. These skills are essential to ensure that the electrical system is reliable, operates efficiently and with a minimum down-time due to unscheduled equipment shutdowns or failures (\$4 million).

## **USAID**

- Continue spare parts procurement and delivery for USAID Operations and Maintenance project. (\$80 million)



- Complete final documentation and closeout for completed power generation projects at Kirkuk, Baghdad South and Doura plants

## Transmission

**Project Code: 41000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlaid
April 2006	783	477	-18	-90	-16	-	1,136	783	338
Change from April	-	-	-	-	-	-75	-75	-59	+48
July 2006	783	477	-18	-90	-16	-75	1,061	724	386

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

Changes from the April report: This report reflects a previous notification to Congress of the Administration's intent to decrease this project code by \$62.3 million, reallocating funds to Generation (PC 40000) in support of priority programs such as the Operations and Maintenance program and emergency repair of Khor az Zubayr Unit #5 and completion of Doura Thermal Unit #6.

It is also the intent of the Administration to notify Congress of an additional decrease of \$12.8 million reallocated to Generation (PC 40000) to further support priority requirements within Generation.

### Accomplishments since the April Report:

#### DoD

- Completed the construction of the Baghdad West Substation (\$9 million).
- Completed the construction of the Baghdad North 400kV Substation Extension (\$3 million).
- Completed the construction of Baghdad South 400kV Substation Extension (\$3 million).
- Started the construction of cluster pump stations No. 5, 7, 8 and 10 132kV Substations in the Basrah governorate (\$27 million).
- Started the reconstruction of the Al Rasheed 400kV Substation in Baghdad (\$37 million).
- Started the construction of the Amara 400kV Substation in the Basrah governorate (\$36 million).



- Started the reconstruction of the Mosul 400kV Substations (\$29 million).
- Conducted training course for ME staff on electrical protection of the transmission network using ASPEN software which will enable the Ministry to calculate and design their transmission network relay protection.

#### **Accomplishments anticipated next quarter:**

#### **DoD**

- Start the reconstruction of the Umm Qasr 132kV Substation in Basrah.
- Start the procurement and installation of the 132kV Mobile Substation in Samarra, Salah ad Din.
- Start the construction of the Hartha – Khor 400kV overhead line.
- Complete the construction of the Al Qaim 132kV Mobile Substation in Ramadi (\$2 million).
- Complete the rehabilitation of the Baghdad East Substation (\$17 million).
- Complete the rehabilitation of the Diyala 132kV Substation (\$12 million).
- Complete the rehabilitation of the Washbash 132kV Substation (\$19 million).
- Complete the rehabilitation of the Akarkuf 132kV Substation (\$14 million).
- Complete the construction of the Baghdad East 400kV Substation Extension (\$14 million).
- Complete the construction of the Baghdad West 400kV Substation Extension (\$8 million).

#### **Distribution Network Infrastructure**

#### **Project Code: 42000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlaid
2207 Report									
April 2006	987	302	-	-	-	-	1,289	1,118	627
Change from April	-	-	-	-	-	-37	-37	+64	+132
July 2006	987	302	-	-	-	-37	1,252	1,182	759

NOTE: Obligation and Outlay Data is current as of June 28, 2006.



**Responsible U.S. Government Agency:** Department of Defense/PCO and USAID

**Changes from the April report:** This report reflects a previous notification to Congress of the Administration's intent to decrease this project code by \$9 million, reallocating funds to Generation to support the Operations and Maintenance program.

It is also the intent of the Administration to notify Congress of an additional decrease of \$27.7 million reallocated to Generation (PC 40000) to further support priority requirements within Generation.

**Accomplishments since the April Report:**

**DoD**

- Completed two 33/11kV substation projects in the Diyala governorate (\$4 million).
- Completed three 33/11kV substations and one feeder project in the Wassit governorate (\$11 million).
- Completed one transformer project in Erbil City, Erbil governorate (\$3 million).
- Completed one 33/11kV substation and one feeder project in Bab Estar, Ninewa governorate (\$8 million).
- Completed two 33/11kV substations in the Sulaymaniyah governorate.
- Completed the al Mansoriya 33/11kV Substation in the Al Tameen governorate (\$4 million).
- Completed three 33/11kV substations in Najaf (\$17 million).
- Completed two 33/11kV substations in the Thi Qar governorate (\$8 million).
- Completed construction of four feeder and network projects in the north region under the Rapid Contracting Initiative (RCI) program (\$9 million).
- Completed eight feeder, 33/11kV substation and network projects in the south region under the RCI program (\$31 million).
- Completed nine feeder, 33/11kV substation and network projects in the central region under the RCI program (\$32 million).
- Completed five low voltage network projects in Baghdad under the Baghdad Essential Services program (\$2 million).



- Completed five 11kV feeder projects under the PRDC program (\$1 million).
- Started 22 low voltage network, 400 volt connection and 11kV feeder projects in the Baghdad area under the Baghdad Essential Services contract.
- Started 17 11kV feeder, low voltage network and 33/11kV substation renovation projects under the PRDC program (\$7 million).

#### **USAID**

- Completed the turnover of spare parts and documentation for the \$185 million USAID substation program. This project built or renovated 25 substations in the Baghdad area and provided all equipment to the ME for 12 additional new substations for their installation. These 37 substations provide a total of over 1,100 megavolt-amperes (MVA) of new capacity to the Baghdad distribution network to relieve overloading and increase reliability of the network. Final closeout, site turnover to the ME and contractor demobilization were completed. Project code closed.

#### **Accomplishments anticipated next quarter:**

#### **DoD**

- Start construction of 19 Baghdad Essential Services distribution low voltage network and 11kV feeder projects (\$30 million). Work will include the construction of a new 33/11kV substation in Yousifiya.
- Start construction of 23 Provincial Review District Command (PRDC) low voltage network, 11kV feeder and substation rehabilitation projects nationwide (\$24 million).
- Start the construction of three power supply projects to prison facilities in Diyala and Nasiriyah and the Baghdad Police Academy (\$17M).
- Start the construction of four Baghdad-area 33/11kV substations and feeders (\$15 million).

**USAID Project** code closed.

#### **Automated Monitoring and Control System Project Code: 43000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlaid
2207 Report									
April 2006	150	-23	-	-	-	-	127	111	35
Change from April	-	-	-	-	-	-	-	+1	+29



July 2006	150	-23	-	-	-	-	127	112	64
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NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report maintains the \$127 million allocated for the automated monitoring and control system.

The Supervisory Control and Data Acquisition (SCADA) system measures and transmits supervisory data to facilitate system control adjustments of circuit breakers and voltage outputs on transmission lines. When completed in April 2007, this system will decrease the reliance on manual operators and implement control mechanisms that alert operators of imbalances in power transmission. The system should reduce system interruptions and power outages. This allows for better overall management of the system, particularly during power outages. The Consolidated Fiber Network project (Project Code 76500, described elsewhere in this report) will serve as the primary communication link for the implementation of the SCADA system. The SCADA system does not depend on other projects to operate at the regional level, but depends on the completion of a National Dispatch Center project funded by the United Nations Development Program to operate at the national level.

### **Accomplishments since the April Report**

#### **DoD**

- Started the installation and commissioning of the southern regional control center's master computers.
- Rehabilitated the north and central region control center main rooms and delivered master computers to install in their respective control rooms.
- Completed the delivery of the wave trap equipment at the 58 electrical sites (\$3 million).
- Delivered all 48-volt power supplies and batteries to about 140 electrical sites (\$3 million).
- Continued installation of Program Logic Controllers (PLC) and Ultra High Frequency (UHF) communication system countrywide.
- Completed the operator training of 60 Ministry engineers in Amman, Jordan.
- Completed the commissioning management and scheduled outage plans with the Ministry.
- Completed the training of six Iraqi SCADA engineers in Minnesota.



- Completed integration tests with the National Dispatch Center at the vendor's facilities in the U.S.
- Started commissioning of the Substation Control System.

**Accomplishments anticipated next quarter:**

**DoD**

- Install and commission the Baghdad Microwave Ring communication network.
- Complete additional commissioning training of six Ministry engineers in Amman, Jordan.
- Continue installation of the PLCs and UHF communication system countrywide.
- Continue with Substation Control System commissioning at selected sites.
- Start installing the site equipment (wave traps).
- Start commissioning the PLCs and RTUs in the south region.
- Install and commission the north region control center master computers.
- Install the central region control center master computers.



## SECTOR: Oil Infrastructure

The 2006 Iraqi budget assumes \$28.8 billion in revenues, about 93% of which will be revenue from crude oil exports. By comparison, Iraq earned \$17.5 billion from oil exports in 2004 and \$24 billion in 2005. Crude oil production in the second quarter of 2006 averaged 2.21 million barrels per day (mbd), a significant increase from the first quarter's 1.87 mbd average. Second quarter exports averaged 1.56 mbd, a significant improvement from the first quarter's average of 1.28 mbd, but still slightly below the Iraqi Government's average target of 1.65 mbd for 2006. Exports have recovered because exports through the northern pipeline resumed, and weather related disruptions in the south passed. The recently refurbished loading berths at the Al Basra Oil Terminal (ABOT) will improve tanker loading efficiency if the Iraqis lease larger tugs. Completion of the new Kirkuk to Bayji 40-inch crude oil pipeline in mid-fall is expected to increase northern export capacity.

Crude Oil Production & Exports			
Millions of barrels per day (bpd)	April	May	June
Crude Production	2.19	2.13	2.31
Crude Exports	1.59	1.49	1.60

Post-war product demand has out-paced supply from current refinery production and the volumes imported by the State Oil Marketing Company (SOMO). The IMF Standby Arrangement limits spending on fuel imports, and Iraq has managed to stay comfortably below the limit. The Government of Iraq has announced its intention to liberalize refined product imports, which would reduce the burden on the government's budget. Once the private sector begins importing refined products, Iraq should see unofficial prices stabilize. Liquefied petroleum gas (LPG, the main cooking fuel) production will increase in the North once compression overhauls are completed by Parsons Iraq Joint Venture (PIJV) and boiler work is completed by North Gas Company (NGC) in mid July. In the South, work is scheduled to start on rehabilitating the Natural Gas Liquids/LPG facilities at the South Gas Company (SGC). The full potential of the plant will not be reached until the third train is repaired with parts we are ordering for SGC, the South Oil Company (SOC) finishes the gas capture work and the strategic gas pipeline is completed next year which will bring gas north for electric power plants.

In the second quarter of 2006, IRRF projects continued to concentrate on repairing key oil production facilities, export and domestic pipeline infrastructure; and improving the oil export terminal facilities in the south. The plan is to mobilize a completion and workover company by mid-summer to bring on additional production from one field with drilled and cased, but uncompleted wells. The plan will also attempt to reduce damage due to water injection in another field by working over dead wells, then recompleting them to hopefully regain production lost to water injection volumes.

Construction is complete at the critical Al Fathah Tigris River oil pipeline crossing. The northern infrastructure is not used to capacity because of corrosion failures of existing pipelines and the delay in the completion of the new 40-inch pipeline. The new 40-inch



crude oil pipeline between Kirkuk and Bayji will allow the North Oil Company (NOC) to produce significant volumes of crude oil and associated gas from shut-in wells. This gas is needed for electric generation plants in the Kirkuk, Bayji and Baghdad area. The 40-inch has been delayed since last year due to contractor issues with only two canal crossings remaining before the line can be commissioned by the North Oil Company.

The completed Gas-Oil Separation Plant (GOSP) projects in the north have added 300,000 bpd of crude oil production capacity. However, the February 1 insurgent attack against the oil stabilization plant #1 in Kirkuk removed the capacity to process one million barrels per day. NOC is presently working on restoring 200,000-250,000 bpd of stabilization capacity which should be finished late summer. The older stabilization plant #2 in Kirkuk was brought on-line and can process up to 500,000 bpd. Sulfur removal is required prior to shipment, domestic use or export of crude oil from northern Iraq. The Ministry of Oil (MoO) and NOC are working to restore all four processing units to plant #1 and hope to restore full capacity by summer 2007. Despite these limitations, continued corrosion failures and leaks and security of pipeline transport remains the biggest factor in reestablishing exports through Turkey.

The water injection facility projects in the south are not producing the results initially forecasted. The Oil Ministry has requested support from international oil companies (IOC's) through MOU's. Initial reports are believed to be recommendations for submersible pumps for production in one field and gas lift in another field. The major difficulty in qualifying the effects is a lack of original well/field pressure/volume data and a lack of current reporting due to a lack of field metering. A critical review is ongoing in the Ministry and a recommendation will be made after they receive the final reports from the IOCs.

Construction has been completed on the loading arm refurbishment of ABOT Berths 1-4. This refurbishment will provide up to six million barrels of oil per day loading capacity. The limiting factors for full flowing capacity are the condition of the offshore pipelines and the lack of pumping capacity at Al-Faw which was destroyed in 1991 and has not been rebuilt. Crude oil storage of 1,250 million barrels of oil is being installed by the MoO. Further enhancements to ABOT are in progress, to include adding turbine meters and control rooms with redundancy to operate all four berths plus the Emergency Shutdown (ESD) systems from either platform "A" or "B." It will enhance the facility capacity while improving its reliability and safety. SOC continues to complete new wells in the West Qurna field to maintain and increase production levels. IRMO is assisting SOC with U.S. exporting licensing and procedures to facilitate the import of U.S.-manufactured perforation charges to complete some of these wells.

## **Oil Infrastructure**

**Project Code: 50000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	1,200	497	4	13	6	-	1,719	1,536	810



Change from April	-	-	-	-	-	-	-	+107	+183
July 2006	1,200	497	4	13	6	-	1,719	1,643	993

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report maintains the \$1,719 million allocated to this project code for Oil Infrastructure.

**Accomplishments since the April Report:**

- Completed Gas Oil Separation Plant (GOSP) rehabilitation at three locations in northern Iraq, Northwest Avana, Naft Khanah and Jabal Bur. These plants provide crude oil processing capacity of 85,000 barrels/day (bpd) and are essential in the distribution of crude oil from the Kirkuk oil fields to the Bayji Refinery and export through the Iraq-Turkey Pipeline (ITP) and for producing LPG in the north (\$18.6 million).
- Completed the first of 12 GOSP projects in southern Iraq at Hammar Mishrif (\$4.5 million).
- Completed repairs and supplied parts for the recycle hydrogen compressor for the reformer at the Al Basrah Refinery (\$1.4 million).
- Engineered and procured reduced crude injection pump at the Kisik Refinery for North Refining Company (\$1.2 million).
- Completed rehabilitation of the gas compressors and turbines for the natural gas liquids (NGL) plant for NGC. Provides better reliability and about 750 metric tons/day of NGL supply to northern Iraq (\$10.0 million).
- Completed refurbishment and commissioning of compressor stations at (Iraqi designations) AB2, AB7, AB8, resulting in increased reliability in LPG production (\$24.1 million).
- Completed the Kirkuk canal and road crossing of the 40-inch crude oil pipeline after multiple delays due to insurgency. This is a vital link in transporting crude from the oil fields to Bayji Refinery and the ITP (\$1.8 million).
- Delayed completion of 40-inch crude oil pipeline canal crossings at Zagatoun and Riyadh. These projects continue to be plagued by insurgency including multiple threats, kidnappings and attempted assassinations. They are part of the pipeline system for the movement of crude oil from the Kirkuk oil fields to the Bayji Refinery and ITP (\$1.5 million).



- Demobilized Design/Build (D/B) contractor, Parsons Iraq Joint Venture (PIJV) from Al Fathah and turned over materials and facilities to Iraq's Security Infrastructure Battalions (SIBs).
- Completed rehabilitation and commissioning of two Siemens gas turbine generators to supply reliable power from the Shuaiba Power Plant to the Basrah Refinery (\$9.7 million).
- Installed a complete combustibles and hydrogen sulfide (H<sub>2</sub>S) gas leak detection system at the LPG plant for the NGC. Monitors a number of operational trains for improved operating safety (\$0.9 million).
- Initiated Phase 2 work to upgrade Al Basrah Oil Terminal (ABOT) including an upgraded metering system to meet international standards and increase marine loading capacity and reliability (\$28.2 million).
- Executed Capacity Development programs for O&M training for operators of equipment provided through reconstruction projects. Vendor support was provided inside and outside Iraq (\$4.7 million).
- 232 Iraqi operators have been trained in operations and maintenance of heavy equipment (vehicles, cranes, forklifts, etc.) at the Basrah Regional Oil Electricity Camp (BROEC) established specifically for this purpose.
- Completed the first round of training with Ministry of Oil staff on the preparation of Long Term Service Agreements in the United Kingdom. Ministry trainees included two South Gas Company and two South Oil Company personnel.

#### **Accomplishments anticipated next quarter**

- Complete the program in northern Iraq and demobilize D/B Contractor, PIJV, to southern projects (\$166 million).
- Complete remaining 11 GOSP rehabilitation projects in the south. These facilities will increase processing capacity by approximately 500,000 bpd of crude oil and supply NGL/LPG to help meet the program goal of 3,000 metric tons/day (MT/D) of LPG and reduce imports by 1800 MT/D (\$91.3 million).
- Complete compressor station (CS) rehabilitation at locations designated as CS-2, SR3R and CS-5 for the South Oil Company (SOC). They will provide feedstock to the NGL/LPG facilities to help meet program goal of 3,000 MT/D of LPG (\$22.1 million).
- Complete repair and commissioning of Pratt and Whitney "TwinPac" gas turbine generator to supply power to cluster pump station, CPS-5, in North Rumaila oil field. Provides sustainable operation of water injection pumps to maintain oil field reservoir pressure (\$7.4 million).



- Complete the supply of operational spares, tools and equipment to NGC (\$11.5 million).
- Complete Ajeel gas compressor station. This plant is the primary source of fuel for the Bayji Power Plant and can compress 175 trillion standard cubic feet/day (\$6.3 million).
- Complete remaining work at Zagatoon and Riyadh Canal Crossings. This will complete PCO Oil's remaining scope of work for the new 40-inch pipeline. NOC has work remaining before the pipeline can be commissioned (\$1.5 million).
- Procure valves and manifold parts for proposed manifold at the Bai Hassan oil fields in northern Iraq (\$1.7 million).
- Start program to complete and/or rework wells in the West Qurna, North Rumaila and South Rumaila oil fields. Services provided by Weatherford International, Ltd. will increase crude oil production by approximately 300,000 bpd in the southern fields (\$69.6 million).
- Continue Capacity Development training for O&M of equipment put into service.



## **Sector: Water Resources and Sanitation**

Efforts during the past quarter focused on initiating over \$280 million in water and water resources projects; implementing a new \$110 million Water Sector Sustainment Program (WSSP) for 2006 and continuing implementation of sector projects already in progress. The WSSP includes both O&M support and assistance and capacity development activities to ensure that USG-funded assets operate effectively in the near term while creating favorable conditions for sustained operation by the Ministry of Municipalities and Public Works (MMPW), Ministry of Water Resources (MoWR) and Amanat Baghdad (Mayoralty) over the long term. The table below summarizes the major USG-funded assets that may be covered under the WSSP.

Asset Category	MMPW/KRG <sup>1</sup>		Amanat Baghdad		MoWR	
	No.	Capacity	No.	Capacity	No.	Capacity
Water treatment plants	25	2,155,000 cmd	5	1,007,000 cmd	-	-
Sewage treatment plants	6	414,000 cmd	3	850,000 cmd	-	-
Rural Water Projects	71	29,600 cmd	-	-	-	-
Small Water Projects	152	241,000 cmd	-	-	-	-
Pump/lift stations	30 <sup>2</sup>	-	tbd	-	10 <sup>3</sup>	-
Canals	-	-	-	-	1	2,160,000 cmd
Vehicles/heavy equipment	769 <sup>4</sup>	-	-	-	32 <sup>5</sup>	-
Generators	-	-	39	tbd	149	59 MW
Learning Centers/Warehouses	24 <sup>6</sup>	-	-	-	-	-

<sup>1</sup> Kurdistan Regional Government

<sup>2</sup> Includes R-Zero raw water pump station and 29 sewage/storm water lift stations in Basrah.

<sup>3</sup> Includes Wahda 1, 2, and 3, Yousifia 1 and 2, Old Keish, SWC 1 and 2, Mandilee and Karbala pump stations.

<sup>4</sup> Includes 389 water tanker trucks and sewage trucks; 380 heavy equipment.

<sup>5</sup> Includes trucks, wheel loaders, compactor, excavators, grader, concrete mixers and bulldozers.

<sup>6</sup> Includes six technical learning centers and 18 warehouses/fleet maintenance facilities.

## **Potable Water Project Code: 60000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	891	592	-16	-22	-	-	1,445	1,088	633
Change from April	-	-	-	-	-	+9	+9	+75	+194
July 2006	891	592	-16	-22	-	-	1,454	1,163	827

NOTE: Obligation and Outlay Data is current as of June 28, 2006.



**Responsible U.S. Government Agency:** Department of Defense/PCO and USAID

**Changes from the April Report:** This report notifies Congress of the Administration's intent to increase this project code by \$8.6 million reallocated from Major Irrigation (P/C 66000) to support potable water projects.

**Accomplishments since the April Report:**

**DoD/PCO**

- Completed 90% design of Najaf Water Treatment Plant and 60% design of Diwaniya and Dukon-Sulaymaniyah Water Treatment Plants.
- Implemented Project Partnership Agreement (PPA) with MMPW for completion of Balad Rooz Water Supply System.
- Completed 11 small water projects including nine across multiple governorates (PW-090) and two in rural Anbar Governorate (PW-001-2), all with local Iraqi firms, which increased employment of Iraqi populations and contributed to the Iraqi economy. Four projects in Basrah (PW-009) were not completed as scheduled due to local contractor and security issues.
- Conducted four workshops as part of the Capacity Development Initiative (CDI) for the Baghdad Amanat at senior management and plant facility levels.
- Provided project management and O&M budgeting models and techniques for eight new and existing plant facilities.
- Completed two (Najaf and Karbala) mini master plans and completed 75% of the two remaining (Diwaniya and Kirkuk) Mini Master Plans. The last two were delayed due to MMPW changes in water consumption per capita parameters.
- Completed the three standard design water supply projects (Majer, Meshkab and Zobediah).
- Completed the initial phase of GIS Water Mapping training in April for 16 MMPW personnel.
- Completed over 10,000 hours of training through the use of six provincial Technical Learning Centers.
- Initiated the Water Sector Sustainment Program (WSSP) including:
  - Award of chemicals and diesel bulk procurement Indefinite Delivery Indefinite Quantity (IDIQ) contracts for water and sewage treatment facilities covered under program.
  - Award and mobilization of contracts for Phase 1 Oversight, Phase 1 Rural Water and Phase 1 O&M Facility Support services.



- Award and mobilization of Facility Assessments and Plant-level Technical Training in support of assigned water treatment facilities.

## **USAID**

- Continued rehabilitation of the Sharq Dijlah Water Treatment Plant (\$23.6 million).
- Continued construction of the Sadr City R3 Water Treatment Plant (\$33.2 million).
- Completed the construction of 24 of the 25 remaining rural water sites. One rural site was cancelled due to the deteriorating local security environment. The Rural Water program provided 70 operational rural water treatment sites, serving approximately 492,000 Iraqis nationwide in formerly underserved rural areas (\$68 million).
- Completed WSIS staff augmentation and on-the-job training at seven potable water and four sewerage treatment facilities (\$23.4 million)
- Completed five new Community Action Program (CAP) water projects valued at about \$231,000. Implementing partners completed work on two important clean water projects during this reporting period: the construction of a new 200 cubic meters per hour water treatment plant at Bu Dali and the connection of the village of Bakhan to the Baghdad water system. All CAP funds have been disbursed under this Project Code and no further activities are anticipated however the overall Community Action Program will continue under other project codes.

## **Accomplishments anticipated next quarter:**

## **DoD/PCO**

- Complete 61 small water projects including 39 across all governorates (PW-090, -099 and -101) and 22 in rural Anbar Governorate (PW-001-2), all with local Iraqi firms, which will increase employment of Iraqi populations and contribute to the Iraqi economy.
- Complete the water treatment plant designs for Najaf, Diwaniya and Dukon-Sulaymaniyah.
- Implement PPA with MMPW for completion of the Sinjar Water Supply project.
- Award design build contract for Wahda Water Supply project.
- Award construction of the three standard design water supply projects (Majer, Meshkab and Zobediah).
- Complete the following WSSP activities:
  - Award and mobilization of Phase 2 Oversight contract.



- Award and mobilization of Phase 2 Rural Water contracts.
- Award and mobilization of Phase 2 O&M Facility Support contracts.
- Implement remaining WSSP funds for chemicals, diesel fuel and plant optimizations.

## USAID

- Complete delivery of rolling stock and other equipment under the WSIS program to support potable water and sewerage treatment facilities.
- Complete rehabilitation and commissioning of the Sharq Dijlah Water Treatment Plant.
- Complete construction and commissioning of the Sadr City R3 Water Treatment Plant.

## Water Conservation

**Project Code: 61000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	31	-	-	-	-	-	31	28	25
Change from April	-	-	-	-	-	-2	-2	+1	-
July 2006	31	-	-	-	-	-2	29	29	25

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report notifies Congress of the Administration's intent to decrease this project code by \$2.2 million reallocating funds to Sewerage (P/C 62000) to support sewer projects.

Water Conservation and Network Repair program provided offices, workshops, warehouse facilities, training, equipment, materials and tools as required to repair and rehabilitate water system facilities in the 18 Iraqi governorates, including upgrading six Iraqi Technical Learning Centers across Iraq.

**Accomplishments since the April Report:** All projects completed.

**Accomplishments anticipated next quarter:** This project code is closed.



**Sewerage**  
**Project Code: 62000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	205	30	-	37	-	-	272	203	119
Change from April	-	-	-	-	-	+10	+10	+13	+29
July 2006	205	30	-	37	-	+10	282	216	148

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO and USAID

**Changes from the April Report:** This report notifies Congress of the Administration's intent to increase this project code by \$10.4 million reallocated from Water Conservation (P/C 61000 - \$2.2 million), Irrigation and Drainage (P/C 65000 - \$200,000), Major Irrigation (P/C 66000 - \$3.5 million), Dams (P/C 67000 - \$4.0 million) and Umm Qasr/Basrah Water Supply Project (P/C 68000 - \$500,000) to support sewage projects.

**Accomplishments since the April Report:**

**DoD/PCO**

- Completed Basrah City Sewerage project (~\$53.1 million).
- Commenced construction of the Fallujah Phase 2 collection system and WWTP installation under direct contracts with local Iraqi firms, which increased employment of Iraqi populations and contributed to the Iraqi economy (\$30.5 million).
- Initiated the WSSP including:
- Award of chemicals and diesel bulk IDIQ contracts in support of assigned wastewater treatment facilities.
- Award and mobilization of Phase 1 Oversight and Phase 1 O&M Facility Support services.
- Award and mobilization of Facility Assessments and Plant-level Technical Training in support of assigned wastewater treatment facilities.

**USAID**

- Continue construction of the Zafaraniyah main sewage collection system in Baghdad.
- Completed ten CAP sewerage projects valued at \$840,000 fully disbursing obligated CAP funds under this project code. CAP partners implemented 117 sewerage projects to date



employing 2,900 people. CAP has significantly improved the sewage network in Rashid district and installed basic sewage facilities for thousands of Iraqis. Sewage is one the key infrastructure rehabilitation components of the CAP and has been designed to increase the functioning of the sewage network and the capacity of the municipal authorities to provide better services to the community. Additional activities are anticipated under this project code although the bulk of the CAP will continue under other project codes.

**Accomplishments anticipated next quarter:**

**DoD/PCO**

- Continue Fallujah Phase 2 collection system and WWTP installation under direct contract with local Iraqi firms to 30%, which will continue to increase employment of Iraqi populations and contribute to the Iraqi economy.
- Complete the following WSSP activities:
- Award and mobilization of Phase 2 Oversight contract.
- Award and mobilization of Phase 2 O&M Facility Support contracts.

**USAID**

- Complete construction of the Zafaraniyah main sewage collection system in Baghdad.

**Other Solid Waste Management  
Project Code: 63000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	21	-10	-	-	-	-	11	11	6
Change from April	-	-	-	-	-	-	-	-	+1
July 2006	21	-10	-	-	-	-	11	11	7

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency: USAID**

**Changes from the April Report:** This report maintains the \$11 million allocated to other solid waste management.

**Accomplishments since the April Report:**

No further activities under this project code. All actions completed. Actions within this project code completed site investigations for 14 potential sites and developed a design and operations



plan for a regional municipal solid waste landfill in northeast Baghdad and completed site investigations for 14 potential sites. Due to land ownership issues, construction of the landfill was cancelled in April 2005. Equipment procured as part of this project was transferred to the Kirkuk Governorate for use in a planned landfill.

## **Pumping Stations and Generators**

**Project Code: 64000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	157	-34	-	57	-	-	180	112	67
Change from April	-	-	-	-	-	-		+57	+19
July 2006	157	-34	-	57	-	-	180	169	86

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO and USAID

**Changes from the April Report:** This report maintains the \$180 million allocated for Pumping Stations and Generators.

### **Accomplishments since the April Report:**

#### **DoD/PCO**

- Completed Mandali conveyance pipeline and placed into partial operation Mandali Irrigation Pump Station (\$17.4 million). Full operation is included in modification to install water hammer protection system.
- Completed installation of two pumps at Nassriya Drainage Pump Station (\$69.3 million).
- Continued construction on Nassriya Drainage Pump Station, currently about 45% complete.
- Initiated WSSP including O&M package for generators, O&M equipment support and spare parts.

#### **USAID**

Anticipate no further activities under this project code. USAID procured pumps, motors and major electrical equipment for six irrigation and drainage pump stations, including Old Keish drainage pumping station, Bazaya-Yousifiyah 1 and 2 pumping stations and Wadha 1, 2, and 3 pump stations. Equipment was delivered to the Ministry of Water Resources for installation. (\$20.5 million)

### **Accomplishments anticipated next quarter:**



- Complete installation of water hammer protection system at Mandali Irrigation Pump Station.
- Continue construction of Nassriya Drainage Pump Station to an estimated 75% completion.
- Award remaining WSSP O&M equipment support contracts for generators and pump stations.

**Irrigation and Drainage**  
**Project Code: 65000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	7	31	-	-31	-	-	7	7	6
Change from April	-	-	-	-	-	-	-		+1
July 2006	7	31	-	-31	-	-	7	7	7

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report notifies Congress of the Administration's intent to decrease this projects code by \$0.2M reallocating funds to Sewerage (P/C 62000) to support sewer projects.

**Accomplishments since the April Report:**

No major activity. All activities completed and project code was closed out. Project was terminated at design only. Completed design was transmitted to MoWR.

**Accomplishments anticipated next quarter:** No further activity in this project code.

**Major Irrigation Projects**  
**Project Code: 66000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	22	31	-	13	-	-	66	7	5
Change from April	-	-	-	-	-	-12	-12	-	+1
July 2006	22	31	-	13	-	-12	54	7	6

NOTE: Obligation and Outlay Data is current as of June 28, 2006.



**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report notifies Congress of the Administration's intent to decrease this project code by \$12.1 million reallocating funds to Potable Water (P/C 60000 - \$8.6 million) to support potable water projects and to Sewerage (P/C 62000 - \$3.5 million) to support sewer projects.

**Accomplishments since the April Report:**

- Did not execute contract for Eastern Euphrates Drainage Project due to possibility that the project will be executed using a PPA.

**Accomplishments anticipated next quarter:**

- Implement PPA with MoWR for Eastern Euphrates Drainage Project (\$48 million).

**Dam Repair, Rehabilitation and New Construction**  
**Project Code: 67000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	39	23	-	21	-	-	83	20	16
Change from April	-	-	-	-	-	-4	-4	+22	-
July 2006	39	23	-	21	-	-	79	42	16

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report notifies Congress of the Administration's intent to decrease this project code by \$4.0 M reallocating funds to Sewerage (P/C 62000) to support sewer projects.

**Accomplishments since the April Report:**

- Implemented PPA for Diyala Weir and developed execution strategy for Adhaim Dam and Ramadi Barrage.
- Awarded Mosul Dam Phase 1 procurement for critical grouting equipment.

**Accomplishments anticipated next quarter:**

- Execute acquisition strategies for Adhaim Dam and Ramadi Barrage rehabilitation.



- Procure remaining Mosul Dam maintenance and repair equipment and hydrogeological model.

**Umm Qasr/Basrah Water Supply Project**  
**Project Code: 68000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	25	86	-	-75	-	-	36	23	16
Change from April	-	-	-	-	-	-1	-1	+9	+2
July 2006	25	86	-	-75	-	-	35	32	18

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report notifies Congress of the Administration's intent to decrease this project code by \$0.5M reallocating funds to Sewerage (P/C 62000) to support sewer projects.

**Accomplishments since the April Report:**

- Finalized the design for permanent power for Sweetwater Canal Pump Station No. 2 and awarded contract.

**Accomplishments anticipated next quarter:**

- Continue implementation of Sweetwater Canal Pump Station No 2 power supply, estimated 25% complete (\$9M).
- Award WSSP Sweetwater Canal Heavy Equipment O&M Support package.



**SECTOR: Transportation and Telecommunications****Civil Aviation****Project Code: 70000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	115	-1	-38	-	-9	-	67	55	38
Change from April	-	-	-	-	-	-	-	+1	+7
July 2006	115	-1	-38	-	-9	-	67	56	45

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO**Changes from the April Report:** This report maintains the \$67 million allocated to Civil Aviation.**Accomplishments since the April Report:**

- Completed the Baghdad International Airport terminal buildings. These improvements will greatly increase passenger comfort, convenience and safety, as well as increase capacity and economic development (~\$7.4 million).
- Completed three of the four contract modifications for BIAP Visual Aids which, upon completion, will make BIAP SPEC Category II compliant (~\$716,000).
- Completed repairs to the air traffic control and central plant generators at BIA providing electrical power to support navigation and communications services (~\$122,000).
- Trained 11 Iraqi Civil Aviation Authority (ICAA) employees in Doppler Very High Frequency Omni-Range and Instrument Landing System (DVOR/ILS) equipment operations. These professional technicians will begin to operate and maintain facilities installed during reconstruction, gradually accepting full control for the aviation system infrastructure.

**Accomplishments anticipated next quarter:**

- Complete the BIAP Visual Aids contract, including modifications (\$~7 million).
- Complete the BIAP navigation aid commission flight commission flight check ensuring that the navigation aids are compliant with international standards, contributing to a safer airport environment (\$~250,000).



- Install area control center communications system contributing to an integrated Air Traffic Management System and allowing more direct international revenue generating aircraft over-flights (\$~530,000).
- Complete the Mosul Airport Air Traffic Control Tower construction project which will allow increased safety of operations of aircraft and improved aircraft management in the airport environs (~\$11 million).
- Train eight ICAA employees as airworthiness inspectors. This will lead to increased safety for commercial aviation maintenance and operations

**Umm Qasr Port Rehabilitation**  
**Project Code: 71000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	40	5	-	-	-	-	45	42	33
Change from April	-	-	-	-	-	-	-	+1	+2
July 2006	40	5	-	-	-	-	45	43	35

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report maintains the \$45 million allocated for Umm Qasr Port Rehabilitation.

**Accomplishments since the April Report:**

- Completed 98% refurbishment of Nelcon Cranes, with spreader bars, allowing for increase movements of cargo containers.
- Contract awarded for the clean up berths 10 and 11 at Port of Khor az Zubayr.
- Purchased two water trucks for Iraqi Port Authority to provide a water source for the ships and stevedores (~\$320,000).

**Accomplishments anticipated next quarter:**

- Complete security fence, bringing closer to international standards of security. Delay due to security issues and additional works (~\$4.3 million).
- Complete power and refurbishment to Nelcon cranes/spreader project which will enable operation of these cranes.



**Railroad Rehabilitation and Restoration**  
**Project Code: 72000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	210	-21	-	-	9	-	198	173	124
Change from April	-	-	-	-	-	-	-	+10	+7
July 2006	210	-21	-	-	9	-	198	183	131

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report maintains the \$198 million allocated to Railroad Rehabilitation and Restoration. This project code supports the increase of capacity and assures self-sustainability of the Iraqi Republic Railways Company (IRR) by providing essential tools, spare parts, track maintenance equipment, communications and control systems and renovating rolling stock maintenance facilities and railway stations. To date, 61 stations have been rehabilitated and new construction of an additional 24 stations completed.

**Accomplishments since the April Report:**

- Commenced construction for part of the additional renovation work at Baghdad Central Railway Station (~\$0.4 million).
- Completed 50% of the software and hardware design and manufacturing for the Communications Based Train Control (CBTC) project and Train-Management Dispatching-System (TMDS) portions of the CBTC system; completed prototype installation of locomotive hardware; began acceptance tests for communications system. Additional necessary modification awards slowed progress.
- Reached 25% completion on 65 railway housing units and station complex at Fallujah damaged or destroyed in November 2004. Progress delayed because of security issues in Fallujah.

**Accomplishments anticipated next quarter:**

- Commence construction for the Shalchiya Shops rehabilitation work at Baghdad Central Railway Station (current estimate ~\$3 million)
- Complete rehabilitation of two railway stations in Thi Qar.
- Award new Mobile Wheel Lathe contract.



**Iraq Telecommunications and Postal Corporation**  
**Project Code: 74000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	20	-	-	-	1	-	21	18	13
Change from April	-	-	-	-	-	-	-	+1	+2
July 2006	20	-	-	-	1	-	21	19	15

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report maintains the \$21 million allocated to Iraq Telecommunications and Postal Corporation.

**Accomplishments since the April Report:**

- Continued construction of new Jadriya post office. Project schedule continues to slip due to contractor inefficiencies.
- Began renovation work at six post offices and prepared solicitation documents for construction of a new post office in Diwaniya City. Delay in solicitations due to site selections (~\$750,000).
- Procured 559 Postal Cabinets and delivered 210 in southern region (~\$3.7 million).

**Accomplishments anticipated next quarter:**

- Complete construction of new Jadriya post office (~\$748,000).

**Iraqi Telecommunications Systems**

**Project Code: 76000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	90	-44	-	-	2	-	48	44	17
Change from April	-	-	-	-	-	-	-	+1	+1
July 2006	90	-44	-	-	2	-	48	45	18

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO



**Changes from the April Report:** This report maintains the \$48 million allocated for Iraqi Telecommunications Systems.

**Accomplishments since the April Report:**

- Completed acceptance testing and closeout for Wireless Broadband Network (WBBN) (~\$15 million), which provides inter-ministry communications at key Iraqi government facilities.
- Operation, maintenance and business functions transferred to the State Company for Internet Services (SCIS), which operates under the Ministry of Communications.

**Accomplishments anticipated next quarter:**

- Complete transition of the WBBN assets to the Iraqi government.
- Complete site clearing and start construction for Al Mamoon Telephone Exchange building and complete 60% design.

**Consolidated Fiber Network (CFN)**

**Project Code: 76500**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	-	70	-	-	1	-	71	70	11
Change from April	-	-	-	-	-	-	-	-	+30
July 2006	-	70	-	-	1	-	71	70	41

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** USAID/DOD

**Changes from the April Report:** This report maintains the \$71 million allocated for the Consolidated Fiber Network (CFN)

**Accomplishments since the April Report**

USAID completed the CFN project design, procurement, installation and commissioning. The USAID contractor has demobilized. This project provided fiber optic cable links between the major power facilities of Iraq's Ministry of Electricity (ME) and their new Regional and National Electric Power Dispatch Centers, through the telephone company network of the state-owned Iraqi Telephone and Postal Company (ITPC). It will serve as the primary communication link for the implementation of the new ME Supervisory Control and Data Acquisition (SCADA) power system control network (Project Code 43000). The installed fiber optic cable has extensive spare capacity for other future uses. In the execution



of the project, 628 kilometers of fiber cable were installed; 368 kilometers to link forty ME power plant/substation locations to the nearest telephone company locations; and to upgrade the existing ITPC fiber network, another 260 kilometers of new fiber optic cable was installed and 792 repair splices were made to upgrade the existing ITPC fiber network. In addition to the forty ME links installed, fiber optic cable, microwave and VSAT equipment was provided to the Ministry to connect with 20 other sites, but was not installed due to security restrictions. The project provided the ITPC with substantial maintenance and test equipment, spare parts and training to maintain the installed fiber. The project also provided 36 new telephone exchanges (PABX) for the ME sites and trained ME and ITPC personnel in maintenance and operation.

**Accomplishments anticipated in the next quarter:**

- Statement of Work developed for O&M and Capacity Building for MoC and ITPC.
- Complete solicitation and award for O&M and Capacity Building.

**Iraq Telecommunications Operations (Communications and Media Commission – (CMC)**

**Project Code: 79000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	25	-	-	-5	-	-	20	12	11
Change from April	-	-	-	-	-	-	-	+1	-
July 2006	25	-	-	-5	-	-	20	13	11

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report maintains the \$20 million allocated to modernize the Iraq telecommunications operations system and to support a telecommunications regulatory agency. The Commission's name was changed by the new Iraqi Constitution from National Communications and Media Commission (NCCMC) to Communications and Media Commission (CMC).

**Accomplishments since the April Report:**

- Completed 90% of close out for CMC Headquarters project.

**Accomplishments anticipated next quarter:**

- Procure and deliver furniture for CMC Headquarters interior design.



- Close out CMC Headquarters building project.
- Provide CMC training contract to improve the professional capabilities of the CMC's personnel at all levels (\$2.4 million).



## ROADS, BRIDGES AND CONSTRUCTION

### Roads and Bridges

Project Code: 82000

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	173	34	-	-	2	-	209	183	57
Change from April	-	-	-	-	-	-	-	+6	+8
July 2006	173	34	-	-	2	-	209	189	65

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government:** Department of Defense/PCO and USAID

**Changes from the April Report:** This report maintains the \$209 million allocated to Roads and Bridges. This project code supports the repair, replacement or construction of essential segments of highway, strategic bridges and critical secondary roads that will enable reconstruction, economic development and public safety.

#### Accomplishments since the April Report:

##### DoD

- Completed 92% of the Village Roads Program. The program adds 424 km of paved roads improving vehicular access and quality of life in agricultural and non-urban areas (~\$34 million).
- Started work on Missan, Basrah and Muthana PRDC Projects (16 Roads and Bridges projects) (~\$9.5 million). Projects will repair or improve roads and bridges of local importance. PRDC program allows communities to set local construction and reconstruction priorities.
- Awarded Basrah, Najaf and Thi-Qar PRDC Projects. PRDC program allows communities to set local construction and reconstruction priorities.
- Awarded contracts for \$250,000 of laboratory materials, testing equipment and \$250,000 of information technology equipment. The laboratory and testing equipment replaces equipment destroyed and looted in 2003 and allows the National Center for Construction Laboratories and Research (NCCLR) more capacity to perform soils and materials testing. The information technology equipment allows the Ministry of Construction and Housing to install and operate a modern and efficient local Area Network (LAN).



- Solicited Amarah-Maimona 2nd Carriageway in Missan governorate (\$7.4 million). The addition of a second carriageway is expected to reduce the high accident rate on this single-carriageway road significantly.

## **USAID**

- Completed 17 new Community Action Programs (CAP), reconstructing roads, paving streets and repairing roads in six provinces.

## **Accomplishments anticipated next quarter:**

## **DoD**

- Award Amarah-Maimona 2<sup>nd</sup> carriageway in Missan governorate (21.6 km, \$7.4 million). The addition of a second carriageway is expected to significantly reduce the high accident rate on this single-carriageway road.
- Complete 95% of Village Roads Program (~\$ 34 million). The program adds 424 km of paved roads improving vehicular access and quality of life in agricultural and non-urban areas.
- Start work on Ninawa, Najaf and Thi Qar PRDC projects (16 projects). PRDC program allows communities to set local construction and reconstruction priorities.
- Award four PRDC projects in Karbala (\$2.2M). PRDC program allows communities to set local construction and reconstruction priorities.
- Deliver approximately \$250,000 of materials testing equipment and approximately \$250,000 of IT equipment to enable the Ministry of Construction and Housing to install and operate a modern and efficient, local Area Network (LAN).

## **USAID**

- In coordination with the Baghdad PRT, CAP will help to restore roads in Baghdad, including in volatile Sadr City. The CAP partner will complete new two CAP roads projects valued at \$288,000. Once completed, several suburbs will have easy access to the heart of Baghdad.
- With these projects, total funds under this project code will be disbursed. CAP will continue with similar activities under Democracy Building Activities code (06000).



## SECTOR: Health Care

The Iraqi healthcare system had not been funded or managed in a sustainable, systematic manner for at least two decades before liberation. Quality of care and efficiency of delivery was limited by several factors, including: facility location not in line with current demographics; dilapidated infrastructure and poor or non-existent biomedical and health facility maintenance; limited supplies of medications, other supplies and modern equipment; and lack of continuing medical education and training for clinicians as healthcare advanced.

Helping the Iraqi Ministry of Health (MoH) convert its healthcare system from the current centralized, inpatient, specialty care hospital-based model to an outpatient primary health care-based system will help to improve the health of the overall population especially in the fields of women's health, preventive medicine, maternal and pediatric health. It will also provide a sustainable healthcare delivery system that improves services for the most vulnerable population groups.

### Nationwide Hospital and Clinic Improvement

**Project Code: 90000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	439	-	-35	-	-	-	404	391	271
Change from April	-	-	-	-	-	+62	+ 62	-8	+25
July 2006	439	-	-35	-	-	--	466	383	296

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO

**Changes from the April Report:** This report reflects a previous notification to Congress of the Administration's intent to increase this project code by \$62.3 million. These funds are being reprogrammed from Equipment Procurement and Modernization (PC 92000) \$24.1 million, Public Safety Construction (PC 15000) \$29 million, Other Tech Investigative Methods (PC 31000) \$ 2.8 million, Witness Protection Program (PC 30000) \$ 1 million and Iraqi National Guard Facilities (PC 27000) \$ 5.4 million to provide additional funding for the completion of the remaining 121 Primary Healthcare Centers.

**Primary Healthcare Centers (PHCs):** A total of 142 new PHCs are planned across Iraq. In March, the Design-Build contract for constructing 141 of these was terminated for convenience. Only 18 PHCs were delivered as nearly complete, while construction on the remaining PHCs was 67% complete on average. The Iraqi Ministry of Health (MoH) accepted six of these 18 PHCs from the U.S. Government, and outstanding defects are being repaired using IRRF funds remaining after contract termination. The USG awarded new contracts to local Iraqi firms to complete this work which includes repairs to the HVAC systems, completion of reverse osmosis (RO) water treatment systems, finishing facility



waterproofing, repairing water lines, finalizing the connection to city water mains, and correcting the poor quality of some construction and finishing. The MoH opened two of these six PHCs for clinical use in May. More substantial finishing work and repairs are required for the 12 other PHCs the USG accepted. Contracts have been re-awarded to local Iraqi construction firms and work is in progress.

**Hospitals:** The health program originally included renovation of 17 maternity and children's hospitals. In December 2004, the program grew to 23 projects at 20 hospitals, including the \$15 million Najaf Teaching Hospital renovation, and, with the MoH's concurrence, Sulaymaniyah Maternity Hospital. The funding for additional hospital projects was reallocated from other hospital projects. Hospital construction continues to lag because of difficulties with removal of old medical equipment from construction areas, security conditions that reduced total work days and contractor productivity and quality issues.

In May, the USG terminated the construction contract for the remaining eight hospital rehabilitation projects due to depletion of funds. However, work continued without interruption through re-awarding the contracts directly to local firms.

**Accomplishments since the April Report:**

- Fully completed work at two of the six PHCs the MoH accepted previously (these were opened for clinical use in May); work continues on the remaining four PHCs.
- Re-awarded construction contracts directly to Iraqi firms to complete finishing work and repairs for 12 PHCs. Work is underway at all 12 PHCs.
- Rehabilitation completed at 11 of the 20 hospitals in the program.
- Awarded contracts, hired an assessment team and continued work on rehabilitation of the nine remaining hospitals in the program.

**Accomplishments anticipated next quarter:**

- Fully complete work for beneficial occupancy at the remaining four PHCs the MoH accepted previously.
- Continue finishing work and repairs on an additional 12 PHCs.
- Solicit and award new contracts to local construction firms to proceed with the construction of the remaining PHCs.
- Complete the rehabilitation work for three of the remaining nine hospitals in the program.



**Equipment Procurement and Modernization and Training**  
**Project Code: 92000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	297	-	-	-12	7	-	292	228	123
Change from April	-	-	-	-	-	-24	-24	+3	+42
July 2006	297	-	-	-12	7	-24	268	231	165

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense/PCO and USAID

**Changes from the April Report:** This report reflects a previous notification to Congress of the Administration's intent to decrease this project by \$24.1 million. These funds were identified as available due to a surplus of funds that were returned on a Military Interdepartmental Purchase Request (MIPR) from Defense Logistics Agency (\$2 million) and the reduction of the contingency set aside for contractor and project closeout within this sub sector due to cancellation of the Design-Build contract (\$22.1 million).

**Accomplishments since the April Report:**

**PCO**

- Completed delivery of current orders for the "Open Distribution List" equipment and continued training as MoH places equipment into service (\$67 million).
- Received into storage complete equipment sets for 130 PHCs (\$55 million).
- Initiated procurement of medical equipment for 20 hospital rehabilitation projects.
- Awarded a contract for medical equipment installation and training for 20 PHCs (~\$600,000).

**USAID**

- Conducted training courses in healthcare service delivery, engineering, maintenance and other core functions resulting in over 450 MoH personnel in four governorates trained by MOH staff who had attended courses.
- Initiated Arabic language second round of Virtual Leadership Development Program.
- Reviewed and updated the MoH's National Health Strategy with senior MoH staff, so it reflected MoH's policy level commitment to nationwide expansion of primary healthcare services, particularly maternal and child health services.



- Supported observational visits to Egypt’s mental health program by senior mental health professionals and primary healthcare specialists.
- Facilitated MoH cascade training of governorate-level physicians, nurses and PHC staff in team-building and problem-solving, and trained additional governorate level PHC Center Directors in administration and management.

#### **Accomplishments anticipated next quarter:**

##### **PCO**

- Prepare Scope of Work (SOW) and contract packages covering \$10.8 million of Capacity Development for the Iraqi Ministry of Health.
- Initiate medical modernization training program for use of new medical equipment procured under the “Open Distribution List” program.
- Award hospital medical equipment contract for 18 Hospitals across Iraq.
- Install and commission medical equipment at 20 PHCs.

##### **USAID**

- Conduct training courses in healthcare service delivery, engineering, maintenance and other core functions to yield at least 560 trained MoH personnel who will subsequently train over 1,000 additional MoH personnel.
- Conducted second round of Arabic language Virtual Leadership Development Program.
- Conduct management training for health district teams in Baghdad.
- Train mental health social worker-trainers to support MoH efforts to expand approaches to mental health at the primary healthcare-level.
- Launch Triage Simulator for Emergency Preparedness virtual training program at MoH for use in training primary healthcare physicians on emergency response.
- Complete program closeout activities by August.



**Basra Pediatric Facility (Hospital)**  
**Project Code: 91000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	50	-	-	-	-	-	50	50	23
Change from April	-	-	-	-	-	-	-	-	+9
July 2006	50	-	-	-	-	-	50	50	32

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency: USAID**

**Changes from the April Report:** This report maintains the \$50 million allocated to construct a modern pediatric hospital in Basrah aimed at providing Iraqi children in the southern part of the country with access to an improved quality of healthcare for acute and referral care pediatric medical conditions.

**Accomplishments since the April Report:**

- Construction is approximately 30% complete; when design is included the project is 37.1% complete. Completed construction of hospital main building first floor columns (including vertical elements such as stairway enclosures, elevator shafts and shear walls).
- Initiated main (hospital) building interior work and progressed toward finishing an exterior stone cladding.
- Continued construction on mechanical, electrical and residence buildings.
- Performed an IRMO-initiated review of construction progress that identified substantial budget shortfalls in constructing the hospital, which led to a formal team being tasked to conduct an in-depth project assessment and prepare alternative courses of action for project completion.
- Embassy Baghdad met on June 30 to conduct a comprehensive review of the financial and programmatic status of Basrah Children's Hospital and is in the process of recommending the way forward to Washington.
- Worked with the contractor to stop work and preserve site improvements.

**Accomplishments anticipated next quarter:**

- Implement decision for course of action.
- Determine a revised completion schedule for construction.



- Establish a project manager for construction.
- Ensure proper allocation of direct and indirect costs to project.
- Improve financial, program management, and quality control oversight reporting on this project to IRMO (on behalf of the Deputy Chief of Mission per June 14 Action Memo) from USAID and USACE/GRD.
- Maintain security on the construction site.



## **SECTOR: Private Sector Development**

### **Business Skills Training**

**Project Code: 02500**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	37	-	-	3	-	-	40	32	27
Change from April	-	-	-	-	-	-		+7	+4
July 2006	37	-	-	3	-	-	40	39	31

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of Defense and USAID

**Changes from the April Report:** This report notifies Congress of the Administration's intent to decrease funding in this project code by \$250,000. Funding will be reallocated to Micro, Small and Medium Enterprises (PC 03000) funding an additional deliverable in the Economic Zone Study.

### **Accomplishments since the April Report:**

#### **DoD**

The Business Center Project has been completed. The following has been accomplished:

- Standing up of the Baghdad Private Business Center: Location, Business Plan, By-laws, Marketing Plan, Products to Offer, Configuration of the Board, Website, Board Training, Goals and Objectives, Competitive Analysis, Baghdad Survey of Businesses and Staffing.
- Iraq-wide Business Center Training: Completed two full day training sessions for business centers in Iraq including the Iraqi senior staff and all those supporting business centers in Iraq as well as those contemplating setting up business centers.
- Best Practices Manual: Completed the development of a best practices manual specifically for Iraq business centers and provided to all business centers in Iraq and will make available to all who wish to open a business center in Iraq. The manual focuses on the delivery of customized services and the responsibility and to become sustainable with implementation plans and programs to attain sustainability.
- Development of the national Business Alliance - a virtual website: The virtual website is operational and the Alliance is comprised of Business Associations, Business Centers, Chambers of Commerce and NGOs assisting private sector business in Iraq.



- The Business Center Project has enabled the fledging business centers in Iraq to gain the necessary information and tools to develop plans to achieve sustainability and to identify the specific needs in their respective areas to assist small and medium sized businesses. The business centers will be able to expand their reach in providing meaningful programs to the clients they serve and as members of the National Alliance with other like-minded organizations will become a focused and strong voice for private sector reforms and actions to be taken by the new Iraqi Government in supporting the small business sector in Iraq.
- The permanent securities law is completed in draft form and is being reviewed by the Iraq Securities Commission. There may be two additional sections added depending on the outcome of discussions with other U.S. agencies. It is being readied for review by a wider group in the U.S. Securities and Exchange Commission and others for final comments and acceptance by all appropriate Iraqi counterparts.
- A revised draft of the Rules and Regulations for the Iraq Securities Commission is in process with the Iraq Securities Commission.
- A proposed disclosure regime has been presented to the Board of Governors of the Iraq Stock Exchange for review and comment along with the Iraq Securities Commission.
- The contract for the automation of the Iraq Stock Exchange has been awarded and the customization interviews are in process. The hardware specifications are being drafted.

## **USAID**

The main objective of the Private Sector Development Initiative (PSDI) program was to promote the expansion of a competitive and efficient private sector in Iraq. To achieve maximum impact, PSDI made every effort to provide businesses with a customized package comprised of training, technical assistance and grants.

The training component of PSDI was geared toward improving business skills and knowledge among the subject matter experts (SME) sector of the Iraqi private sector as well as among local SME supporting institutions (banks, chambers of commerce, business associations and training institutions, among others). PSDI trained 2,419 people from private sector and business associations and 14% of them were women. PSDI delivered procurement training to 122 SMEs. Complementing the training, the initiative also offered technical assistance through the use of paid American and Iraqi consultants. This technical assistance component was designed to reinforce the skills developed in training programs and to complement the provision of grants when possible. The initiative distributed 1,382 tool kits to firms and 41 mid-size firms received technical assistance while 9,007 small businesses kits were distributed to local SMEs.

Selected grantees and disbursed \$3 million in grant funds. The objective of the grant program was to contribute to and enhance the impact of the project's activities by providing beneficiaries with an injection of funds to start businesses, increase the potential for higher



revenue and increase employment. In support to these endeavors, the program distributed 347 grants to private sector businesses.

Funding has been expended in this project code and no further activities under this project code are anticipated although supportive activities for the initiatives are on-going in the overall economic growth program.

**Accomplishments anticipated next quarter:**

**DoD**

- Complete the review of the draft permanent Securities Law for Iraq and ready the legislation for passage.
- Complete the Rules and Regulations for the Iraq Securities Commission and have the Commission begin implementation.
- Implement the Disclosure Regimen for the Iraq Stock Exchange.

**Micro, Small and Medium Enterprises**

**Project Code: 03000**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	44	-	-	-3	-	-	41	36	36
Change from April	-	-	-	-	-	-	-	-	-
July 2006	44	-	-	-3	-	-	41	36	36

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Departments of Defense and the Treasury and the Overseas Private Investment Corporation (OPIC), with funding transferred to OPIC through USAID

**Changes from the April Report:** This report notifies Congress of the Administration's intent to increase funding to this project code by \$250,000 from Business Skill Training (PC 02500) to expand the Economic Zone Study.

**Accomplishments since the April Report:**

**DoD**

- Revised the structure of the Small Business Growth Program to provide support to the private banks in providing business loans between \$25,000 and \$500,000.



- Contracted the Economic Zone Study and provided for an additional portion of the study to include a detailed proposal for the Erbil area.

### **Overseas Private Investment Corporation**

- The Iraq Middle Market Development Foundation (IMMDF) is a facility supporting loans to Iraqi private sector companies. It continues to market its activities both in Iraq and Jordan.
- IMMDF has now disbursed \$10.25 million associated with 5 loans. An additional 4 loan agreements totaling \$16.2 million have been signed, but funds not yet disbursed. These signed agreements could potentially support 205 jobs. IMMDF's current pipeline includes 4 prospects reflecting brick manufacturing, electrical equipment, and contracting material which, if finalized, would represent an additional \$6.6 million and 359 potential jobs.

### **Accomplishments anticipated next quarter:**

### **DoD**

- Finalize the documentation for the funding of the Small Business Growth Program and initiate the program.
- Receive the first two portions of the deliverables for the Economic Zone Study.

### **Institutional Reforms**

**Project Code: 01500**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	-	100	-20	5	-	-	85	80	38
Change from April	-	-		-	-	-		+5	+14
July 2006	-	100	-20	5	-	-	85	85	52

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency: USAID**

**Changes from the April Report:** This report maintains the \$85 million allocated for Institutional Reforms.

### **Accomplishments since the April Report:**

- Assisted in drafting Government-wide IT legislation to enable the National Chief Information Officer office to operate and implement policy. Project advisors have



worked with the National Chief Information Officer to develop an initial draft of the legislation.

- Enrolled 512,000 families in the Social Safety Net (SSN), representing 50% of total beneficiaries (i.e., members of poor families, the internally displaced, disadvantaged and disabled) to be enrolled by year end 2006.
- Assisted in the establishment of Media and Public Relation units within local social welfare offices and delivered a tactical public education outreach campaign aimed at facilitating awareness of and access to SSN benefits and services.
- Assisted representatives of the U.S. Federal Reserve System to coordinate an International Monetary Fund (IMF) Banking Supervision Mission in June that advanced the implementation of policies, procedures and standards. The mission leveraged two years of training and capacity building on core elements of banking supervision.
- Instituted an automated monthly trial balance, in one pilot bank, which would provide timely and accurate information for the Monetary Survey, satisfying the requirement of the IMF Standby Arrangement (SBA) and thus allowing the Central Bank of Iraq to more effectively manage its monetary policy.
- Assisted in the implementation of a new Business Registry System for the three regional Business Registries and the transfer of legacy databases into a new unified system. This will be finished from Bearing Point's perspective by the end of June 2006. Iraqi counterparts have been slow to input data for the existing companies into the new system and have refused project advisor help in providing staff to do it for them on the grounds that only state employees should perform this kind of work.
- Worked with GOI to issue the National and Provincial Wireless Local Loop (WLL) licenses and to issue licenses for mobile cellular telephone providers, providing continued support. The auction for WLL licenses was conducted on May 8 and two apparent winners were selected. The names of these have not been made public upon request from the GOI. A total of three National and three provincial WLL licenses were awarded. Regarding the mobile licenses, the CMC is planning to award four licenses by the end of June 2006. The GOI has required some areas in the licenses to be redefined and the CMC and project advisors are assessing if this will cause a delay in issuing the licenses to after June.
- Completed implementation of the Financial Management Information System (FMIS) comprising 100% of the GOI budget execution sites; FMIS will run in parallel with the existing manual accounting system through 2006 and become the government's Official Record in 2007.
- Completed an agreed GFS compatible budget classification and detailed chart of accounts for adoption in the 2007 budget year.



**Accomplishments anticipated next quarter:**

- The tax automated system, TAGDEER, will be operational at the General Commission for Taxes headquarters and two branch offices.
- Develop workflows and procedures for the major departments (taxpayer services, audit and collection) of a functionally organized General Commission for Taxes.
- Kurdish Regional Government will begin entering expenditure data onto the FMIS and reconciling their monthly trial balances.
- Assisting in the implementation of the GFS 2001 compatible Chart of Accounts for the 2007 budget preparation.
- Completion of second quarter Monetary Survey as well as finalization of all previous quarter corrections subsequent to audit which is an SBA condition.
- Development of liquidity forecasting data collection and trend analysis according to guidelines set by IMF as an SBA condition.
- Establish an investment management committee under the National Chief Information Officer Office and assist the committee to develop a Government-wide Information Technology investment management portfolio. This committee will assist the Government in ensuring government IT funds are managed appropriately.
- Assist in drafting National Chief Information Officer Office procedures that link to the National CIO Office enabling legislation. These procedures will identify the portfolios that the office is responsible for and establish roles and responsibilities within each portfolio. This will lead to the development of a work plan for the National CIO Office that will define the office's role and deliverables.
- Provide a series of seminars to the Government of Iraq Chief Information Officer Council in the areas of Leadership, Security and Investment Management. The series of seminars will focus on building the Council's knowledge and capacity to perform the function of the council.
- Install the SSN Pilot Unit in Baghdad, Ministry of Labor and Social Affairs Complex.
- Complete the software application for the SSN beneficiaries' database development.
- Complete the testing of the software application and the training for the SSN Pilot Unit IT and non- IT employees.
- Deliver, for public debate, the White Paper on Pension Reform in Iraq and the revised pension legislation for short term adjustment to pension arrangements in Iraq.



- Complete training of 60 staff of the Ministry of Electricity on financial and statistical modules and complete the “Train the Trainer” program for managers of the Corporate Finance Group.
- Assist in the implementation of the financial and statistical modules in the Ministry of Electricity.
- Complete the data cleansing of the electrical metering survey in the Baghdad area.
- Deliver a strategy for passage into law, for a new Procurement Law and regulations as well as implementation, institution building, training and capacity building strategies to support it.

## **Agriculture**

**Project Code: 01600**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	-	100	-	5	-	-	105	100	41
Change from April	-	-	-	-	-	-	-	-	+24
July 2006	-	100	-	5	-	-	105	100	65

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency: USAID and DoD**

**Changes from the April Report:** This report maintains the \$105 million allocated to Agriculture.

**Accomplishments since the April Report:**

### **DoD**

- Prepare and disseminate information about the agribusiness credit program to the financial institutions’ branches throughout Iraq.

### **USAID**

- Repaired a total of 3,170 tractors. Trained a total of 215 farm equipment mechanics (~\$13.8 million).
- Established 15 demonstration areas for Center Pivot irrigation systems in Kirkuk (~\$78,000).



- Rehabilitated additional small scale irrigation infrastructure (systems, canals, pumping stations, etc.) (~\$1.9 million).
- Rehabilitated 2,000 hectares of agricultural land in Drainage Catchment Pilot Areas to test effectiveness of drainage systems in reducing soil salinity to improve agricultural production in highly saline areas of central and southern Iraq (~\$250,000).
- Trained an additional 90 field extension agents in participatory extension methods, for a total of 200 agents trained (~\$135,000).
- Completed official registration of the Pesticide Dealer Association. A total of 120 pesticide dealers have completed a training course to increase their technical knowledge of pest management techniques (~\$150,000).
- Completed construction of 16 date palm mother orchards and 17 date palm nurseries in 15 governorates (~\$2.25 million).
- Completed 16 olive production and irrigation demonstration plots (2.5 hectares each) in eight governorates (~\$1.7 million).

#### **Accomplishments anticipated next quarter:**

##### **DoD**

- Provide funding for the support of small agro-business by Iraqi private banks.
- Develop loan parameters for variety of agro-businesses to assist the private banks in generating loan portfolios for numerous small scale agro-businesses.
- Provide business profiles for the development of competitive small scale agro-businesses in Iraq that will encourage entrepreneurs and farmer cooperatives to establish follow-on agro-businesses.

##### **USAID**

- Complete rehabilitation of seventy veterinary clinics, which will serve 140,000 livestock breeders and 5.25 million animals throughout Iraq.
- Establish at least sixty veterinary private service providers (PSP), ten each in Ninewa, Kirkuk, Dahuk, Diyala, Basrah and Salah ad-Din. The PSPs employ 20-30 previously unemployed veterinarians per governorate to provide veterinary services in rural areas not served by government clinics.
- Provide commercially desirable date palm offshoots to rehabilitate 120 existing date palm orchards in Basrah and Muthana, improving production and incomes in the first year and increasing access to date palm offshoots in subsequent years.



- Complete rehabilitation for over 5,000 tractors. Train at least 200 farm equipment mechanics in repair and maintenance skills.
- Improve nutrition in 6,000 pre-mating ewes to increase rates of conception and pregnancy and improve nutrition in 4,000 suckling lambs to reduce mortality and increase lambs' weight. This will increase flock sizes and breeders' income from the sale of by products. Provide a roll-out plan for expansion of nutrition program nation-wide.
- Provide 50 tons of high-quality hybrid maize seed to producers in Ninawa and Anbar to improve production and increase incomes. Stimulate private sector extension by working with NGOs that will provide technical assistance to these farmers in exchange for payment of a portion of the harvest, which will capitalize the NGOs to implement a similar program next year.

## Market-Based Reforms

**Project Code: 03500**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	-	105	-6	-	-	-	99	99	29
Change from April	-	-	-	-	-	-	-	-	+15
July 2006	-	105	-6	-	-	-	99	99	44

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency: USAID**

**Changes from the April Report:** This report maintains the \$99 million allocated to Market-Based Reforms.

### Accomplishments since the April Report:

- Assisted two indigenous, independent Iraqi microfinance institutions (MFI) to become operational, including assistance to register, developing business plans to achieve sustainability, providing management and MFI-specific training and awarding two entities \$250,000 grants to be used for loan capital. These institutions have been established to provide loans to entrepreneurs in non-permissive areas through cooperation with DoD CERP funds for opening the offices and operating expenses. Efforts are ongoing to assist a third indigenous organization to become operational. Options for a fourth location are still being considered in coordination with DoD.
- Commenced a nine-month training program to develop a cadre of 20 certified Iraqi microfinance trainers in order to support the sustainability of an Iraq-based microfinance industry, to be completed by March 2007.



- Awarded \$8.9 million to two existing and one new international microfinance institutions to support microfinance lending in 14 governorates; grantees have extended 1,812 new loans.
- Strengthened the Iraq Union of Accountants and Auditors through upgrading headquarter offices and training 67 Iraqi trainers in preparation for a country-wide launch of a continuing professional education course on international auditing methods, methodologies and standards, which will reach 1,000 participants.
- 44 Learning Centers established throughout Iraq to ensure that the accountancy professionals and students have free access to up-to-date materials; accounting seminars for 475 graduate and doctoral students held at universities.
- Introduced a new, 60-hour International Accounting Standards course at 8 universities with 429 students enrolled (approximately 40% female).
- Completed a grant for \$211,400 to the Centre for Development and Economic Dialogue (CEDID), a training institute serving Iraqi business associations and developed its sustainability strategy. Through CEDID, 47 courses were delivered to 212 Iraqi business association leaders, businesspeople and association staff. Courses fall into six categories: 1) association management and development, 2) general management, 3) business basics, 4) training of trainers, 5) specialized and/or technical business skills and 6) special topical events. Illustrative topics include: Association Management and Development, Ethical Behavior, Advocacy, Communications, Public Relations and NGO accounting. Additionally, five Iraqi trainers have been trained and mentored in order to ensure the sustainability of future business skills development in Iraq. An additional 469 participants attended courses at other venues.
- Supported the Iraq Securities Commission (ISC) in drafting rules, regulations and guidelines based on the current Interim Securities Law covering “Standards for Quarterly and Annual Reporting (corporate disclosure)”, “Broker/Dealer Examination”, “Commissioners’ Code of Conduct”, “Anti-Manipulation”, “Maintaining Books and Records”, “Nomination Procedures, Selection Criteria and Board Election Procedures” and “Investigation and Enforcement”.
- Sponsored ISC participation in the annual International Organization of Securities Commissions (IOSCO) conference in Hong Kong, which will allow the Commissioners to better understand how to: implement international best practice standards, contribute to systemic risk reduction, combat financial crime and protect investors and understand the challenges encountered with the implementation of these regulatory standards in emerging markets.
- Supported development of a Market Education and Awareness Program (MEA) for staff of the ISC, IASD and ISX.



- Ongoing administration of a \$243,500 grant to the Iraq Association of Securities Dealers to support the modernization of their Baghdad headquarters, which has officially opened and begun hosting training for brokers from 50 brokerage firms to provide computer skills to prepare them for participation in an automated market.
- Completed an extensive Investor Roadmap that documents the legal, regulatory and administrative steps to conducting business and investment in Iraq and began outreach with the public and private sector to advocate for related policy reforms.
- Completed a Competitiveness Analysis of Iraq's economic potential and began a sector-specific follow-on study on Food Processing and related agricultural topics.
- Facilitated two Iraqi Investment Promotion Agency (IIPA) missions to Turkey, participation of the IIPA and the Iraq Trade Information Center (ITIC) in the Investment Promotion Conference in Erbil and participation of the IIPA and ITIC, as well as 150 Iraqi businesspeople, at the Rebuild Iraq conference in Amman, Jordan. These missions resulted in the introduction of the newly-opened IIPA and ITIC to both international and domestic investors, developed the capacity of the Iraqi staff of the institutions and yielded several promising investment leads. Following the Rebuild Iraq conference, training was facilitated for ITIC and IIPA staff with the U.S. Department of Commerce in Amman to introduce the organizations to one another, provide familiarization of U.S. trade concepts, expose the staff to customer service focused training and provide an understanding of the practical work of the U.S. Commercial Service in Iraq and Jordan.
- The By-Laws of the Iraq Company for Bank Guarantees, which was established in March 2006, were amended and approved by the shareholders and filed with the Companies Registrar office at the Ministry of Trade in June.
- Continued to provide technical assistance to the Private Bankers of Iraq Association to promote the introduction and adoption of methods to support lending to MSMEs from private banks as well as micro-finance institutions and to take steps to develop a financial services training institution.
- Training was provided to 62 private bank staff in Baghdad on Marketing; Managerial Accounting and Credit Analysis; Loan Documentation, Security and Collateral; and Basel II and Financial Statement reporting. In Erbil, 22 private bank staff were trained on cash flow based lending and financial analysis. The objective of training is to introduce methods for sound banking practices to support lending to small and medium enterprises.
- Provided training and assistance to GOI officials working on WTO issues related to customs, technical barriers to trade, intellectual property and agriculture. Assisted the GOI to draft answers to questions on the MFTR submitted by WTO member countries. Assisted GOI officials to compile accession documentation on ACC4 (Agriculture), ACC5 (Services), ACC8 (SPS and TBT) and ACC9 (Intellectual Property); however, actual completion of the documentation relies on collection of key data by the Ministries,



which was temporarily slowed due to the change in government. Assistance to the GOI on these topics is ongoing.

- Eleven members of the Ministry of Agriculture's WTO accession committee traveled to the World Trade Organization in Geneva to receive training on agricultural negotiations and agriculture-related WTO agreements and to meet with the U.S. Department of Agriculture and U.S. Trade Representative.
- Assisted the GOI to review, revise and draft intellectual property legislation and provided training on trademark issues and TRIPS to 21 officials from the Ministry of Industry and Minerals.

**Accomplishments anticipated next quarter:**

- Continue providing assistance to the GOI to prepare draft initial offers for goods and services and the first draft of Iraqi tariff schedules, which the GOI will need to submit to the WTO; make available five draft laws and five WTO conformity assessments and trade-related impact assessments for use by the GOI; hold ten training events for the GOI and the private sector; and prepare for the first Working Party Meeting. Due to a slowed GOI engagement of WTO accession activities during the past three months, work on this component was temporarily suspended and the deadline has now been pushed back.
- The ICBG will appoint a General Manager, develop and implement a business plan and establish a physical office. Training and establishment of operational procedures will commence.
- Support the ISC in implementing rules and regulations to be finalized in this period, (to include some but not all of the following: "Standards for Quarterly and Annual Reporting (corporate disclosure)", "Broker/Dealer Examination", "Commissioners' Code of Conduct", "Anti-Manipulation", "Maintaining Books and Records", "Nomination Procedures, Selection Criteria and Board Election Procedures" and "Investigation and Enforcement") and support the ISC in drafting their Operations Rules and Procedures based on the current Interim Securities Law.
- Support the ISC in developing a Licensing Regime for Principals and Intermediaries based on the current Interim Securities Law and related training program to be offered under the auspices of the IASD.
- Support the development of information websites for the Iraqi Association of Securities Dealers (IASD) and the Iraq Securities Commission (ISC) and initiate the design of a Corporate Disclosure web application (such as the "EDGAR" application of the SEC in the U.S.) and an Online Investment Professional Registry (such as the CRD/IARD of the U.S. NASD).



- Include Iraqi Stock Exchange staff in training for information technology, public relations and regulations seminars; provide assistance with its application for membership in World Federation of Exchanges.
- Publish and distribute Iraq's first 'Guide to Excel for Accountants', 'Audit of Internal Control over Financial Reporting (Audit Standard No.2)' and an I-CPA program/student guidebook.
- Work with the Iraqi Investment Promotion Agency to pilot and revise Standard Operating Procedures, develop sector-targeted investment promotion strategies, conduct strategic planning workshops and launch the Iraq Invest portal.
- Continue building capacity of the Iraq Trade Information Center through training, database and website development.
- Complete an 'Investor Guide to Iraq' and a study on the potential of the Information and Communications Technology (ICT) sector.
- Each of the first two indigenous Iraqi microfinance institutions (MFIs) established with project support will extend 100 new loans worth \$250,000 in total, supporting the creation of 150 new jobs.
- Bring one new MFI to operational status and provide a \$250,000 grant to be used for loan capital. By the end of the period, this MFI will extend approximately 30 loans worth about \$75,000.
- Three international microfinance institutions supported by grants will extend an additional 4,400 (+/- 100) new loans to Iraqi entrepreneurs in 14 governorates.
- Train staff of the Iraqi Company for Bank Guarantees on loan guarantee products, usage and risk evaluation.
- Design and conduct courses on Advanced Financial Analysis, Basel II Reporting and Money and Banking for seventy credit officers/loan officers from Iraqi private banks.
- Training of Trainers for business skills will be delivered both in Baghdad and Erbil, resulting in ten new trainers, thus creating a core pool of fifteen regional and eventually national, business skills trainers. Armed with modern methodologies, the trainers will produce the desired multiplier outreach effect to further stimulate private sector growth.
- CEDID will move to a new level of sustainability as their ability to charge, collect and report training fees increases and additional people are hired and trained to assist with facility operations and logistics. CEDID will serve an estimated 200 participants per month, increasing once the trained Iraqi trainers begin delivering their own courses. An e-knowledge web site will be technically designed, materials uploaded and preliminary testing begun.



- Through the IUAA, the country-wide roll-out of Auditing Methods, Methodology and Standards will launch in July, reaching 1,000 participants in 17 governorates. The course will also commence in at least 8 universities, reaching approximately 400 students. The IUAA will also take full operational lead and ownership of the 60-hour International Accounting Standards course, enabling the organization to begin generating revenue as a tool for organizational sustainability and ensuring on-going provision of the course by Iraqis for Iraqis.



## **SECTOR: Education, Refugees, Human Rights and Governance**

### **Migration and Refugee Assistance**

**Project Code: 04000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	105	54	-	27	-	-	186	154	95
Change from April	-	-	-	-	-	-		+13	+19
July 2006	105	54	-	27	-	-	186	167	114

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of State's Bureau of Population, Refugees and Migration (PRM) and USAID's Office of Foreign Disaster Assistance (OFDA)

**Changes from the April report:** This report maintains the \$186 million allocated to fund life sustaining assistance to meet the immediate needs of refugees and other conflict victims, including internally displaced persons, who will return to their homes in Iraq and neighboring countries in 2006. The funding will also support efforts by the Department and international organizations such as the United Nations High Commissioner for Refugees (UNHCR) and the International Committee of the Red Cross (ICRC) to build the capacity of Iraqi institutions, particularly the Ministry of Migration and Displacement (MoDM). The successful reintegration of refugees and displaced persons is critical to achieving stability in areas heavily affected by persecution under the former regime.

### **Accomplishments since the April Report:**

#### **State (PRM)**

- Funding approved for eight new NGO projects totaling over \$15 million providing critical, life-sustaining assistance to refugees, returnees and other displaced populations.
- Continued working with UNHCR and IOM to identify and implement durable solutions for the Sudanese asylum seekers near Al Rutbah in Al Anbar province, including repatriation to Sudan as appropriate.
- Continued funding IOM-sponsored MoDM Capacity Building Program.
- Continued to engage MoDM, UNHCR and the Government of Turkey to explore durable solutions for the Turkish Kurdish refugees in Makhmur camp.
- Continued efforts to persuade the small group of Iranian Kurdish refugees from the Al Tash Camp in Al Anbar governorate who spontaneously migrated to the Iraq-Jordan



border in vain hopes of entering Jordan to relocate to Kawa, Erbil to join the their brethren who were relocated in earlier quarters.

- Through continued funding to the International Catholic Migration Commission (ICMC) program for extremely vulnerable Iraqis (EVIs) in Lebanon: seventy EVI families received assistance; women's group were formed for 84 participants; 71 persons received outpatient care and 19 persons received inpatient care; 149 children received primary school assistance; 150 children participated in non-formal education programs; and eighty individuals participated in vocational training.
- Through funding for the ICMC program for EVIs in Jordan, 750 individuals received outpatient care; 350 persons received inpatient care; 450 individuals received humanitarian assistance; 321 children received primary school assistance and 200 children participated in non-formal education programs.
- PRM implementing partner Shelter for Life delivered an average of 418,000 liters of clean water per day to an average of 1,057 families in five quarters of Soran. Stimulated the local economy with ~ \$66,600 spent locally, ~ \$27,600 paid to local staff and 19 people hired locally.
- Continued monitoring of the completion and occupation of 102 homes resulting from the MRA-funded shelter assistance project for incompletely repatriated refugees in northern Iraq.
- Deferred Baghdad Refugee Coordinator's planned monitoring and evaluation of Shelter for Life projects until a later quarter because travel could not be supported due to resource limitations.

## **USAID**

- Generated through cash for work programs over 60,000 employee days in Kirkuk, Dahuk, Maysan Waist, Ninawa and Diyala Governorates. Programs included city sanitation, road graveling and civic improvements.
- Continued responding to sudden displacement needs due to conflict and or natural disaster within the limits of the funding.
- Continued activities of mobile health units in returnee and IDP areas of Erbil, Kirkuk, Anbar and Ninawa Governorates and in areas impacted by recent kinetic operations.
- Continued implementation of water and sanitation activities in Kirkuk, Diyala, Erbil and Ninawa, Maysan and Wasit Governorates targeting both Kurdish returnees and Arab IDPs with awareness of the needs of other religious/ethnic communities.
- Continued providing agricultural livelihood support packages in IDP/returnee areas in Kirkuk.



- Continued health education and refresher training for rural based physicians, TBAs and Avian Influenza awareness campaigns in Northern Central provinces of Iraq.
- Provided livelihood assets to persons with disabilities in Northern Central provinces of Iraq.
- Continued sewer system/water supply repairs in Wassit and Maysan governorates.
- Continued implementing the Fallujah assistance project. Constructed market areas (stalls for small shops) in the southern sectors. Constructed 6 gardens / parks. Supported of the Union of Persons with Disabilities. Supported capacity development of local women's NGO. Rehabilitated/maintained sanitation facilities at 12 local schools. Generated 47,000 employee days in Fallujah

#### **Accomplishments anticipated next quarter:**

##### **State (PRM)**

- Obligate funding for eight NGO projects totaling over \$15 million providing critical, life-sustaining assistance to refugees, returnees and other displaced populations.
- Obligate the remainder of FY 2006 MRA funds (over \$2 million) to support capacity building of the Ministry of Migration and Displacement.
- Continue working with UNHCR and IOM to identify and implement durable solutions for the Sudanese asylum seekers near Al Rutbah in Al Anbar province including repatriation to Sudan as appropriate.
- Continue to engage MoDM, UNHCR and the Government of Turkey to explore durable solutions for the Turkish Kurdish refugees in Makhmour camp.
- Monitor and evaluate Shelter for Life shelter assistance and permanent water supply network projects benefiting returning refugees in Erbil, Sulaymaniyah and Diyala provinces.

##### **USAID**

- Generate through cash for work programs at least 50,000 employee days in Kirkuk, Dahuk, Maysan Wasit, Ninawa and Diyala Governorates. Programs will include city sanitation, road graveling and civic improvements.
- Continue responding to sudden displacement needs due to sectarian conflict country wide.



- Continue activities of mobile health units in returnee and IDP areas of Erbil, Kirkuk, Anbar and Ninawa Governorates and in areas impacted by recent kinetic operations.
- Continue implementation of water and sanitation activities in Kirkuk, Diyala, Erbil and Ninawa, Maysan and Wasit Governorates targeting both Kurdish returnees and Arab IDPs with awareness of the needs of other religious/ethnic communities.
- Continue providing agricultural livelihood support packages in IDP/returnee areas in Kirkuk.
- Continue health education and refresher training for rural based physicians, TBAs and Avian Influenza awareness campaigns. Refresher training will be provided for fifty M.D.s 75 paramedics and 120 traditional birth attendants. Courses will be focused in Ninawa, Diyala and Salah ad-Din provinces.
- Provide livelihood assets to approximately 1,500 persons with disabilities in Diyala and Sulaymaniya provinces.
- Complete sewer system/water supply repairs in Wasit and Maysan governorates.

#### **Property Claims Commission**

**Project Code: 05500**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	10	-	-	-	-	-	10	7	7
Change from April	-	-	-	-	-	-	-	-	-
July 2006	10	-	-	-	-	-	10	7	7

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Department of State's Bureau of Population, Refugees and Migration (PRM)

**Changes from the April report:** This report maintains the \$10 million allocated for support to the Commission for the Resolution of Real Property Disputes (CRRPD) (formerly the Iraq Property Claims Commission).

The total number of claims filed increased from just over 130,000 as of February 16, 2006 to 133,406 as of May 25, while the total number of claims adjudicated during the same period increased from over 20,000 to 22,697. Implementation of the out-of-country claims program continues to be delayed, due to delays in the formation of the new government and the need to obtain approval from the Ministry of Foreign Affairs over the establishment of CRRPD offices abroad. CRRPD has been conducting its own public relations campaign with support from IRMO and the International Republican Institute (funded by USAID). CRRPD has



been undergoing internal reorganization in conformity with its new governing legislation, which became effective in March.

**Accomplishments since the April Report:**

- Completed delivery of computer equipment, high-speed scanners and other peripherals to 19 CRRPD regional offices to enable more rapid processing of claims data. 29 of 32 CRRPD offices have been equipped; three remain unequipped due to the security situation and unauthorized closure of one office by local government officials.
- Conducted two training programs in database administration for 3 CRRPD staff and a one week “train-the-trainers” claims system usage program for 16 CRRPD staff to better utilize IOM-developed database applications and to prepare for the eventual transition of database and claims application administrative responsibilities. Prepared specialized training manuals and practical exercises for use in future training programs to be implemented internally.
- Conducted assessments and prepared interim recommendations on improving the local area network (LAN) equipment at CRRPD headquarters in order for CRRPD to make more efficient use of its workstations and applications, including database access.
- Designed and implemented significant updates to the CRRPD website to reflect changes in accordance with the new governing statute.
- Continued to work with CRRPD staff in order to develop methods and techniques for resolving claims more efficiently and consistently. Continued to develop the database application to broaden the information to be collected and to enable tracking of claims and production of reports.
- Prepared a list of proposed laws, regulations, guidelines and instructions that CRRPD might consider adopting in light of the new CRRPD statute.
- Began discussions with the head of CRRPD about assessing potential problems with the enforcement of CRRPD decisions; developed a survey of claimants who have received a favorable decision and of relevant government bodies (CRRPD, Real Property Registration Office and Enforcement Department of the Ministry of Justice).

**Accomplishments anticipated next quarter:**

- Conduct a legal workshop for the Head of CRRPD and ten members of the CRRPD Legal, Research and Studies Branches to introduce them to the database application and explore methods for (1) improving efficiency and expediency; (2) improving the quality of decision making, consistency and fairness to claimants; (3) valuation of property; and (4) enforcement of CRRPD decisions.



- Begin implementation of the out-of-country claims program, pending resolution of current disputes within the Iraqi government concerning lines of authority.
- Further develop CRRPD IT capacity, purchase appropriate equipment and train personnel in network administration and system development skills.
- Further develop ways to improve the ability of CRRPD offices to connect with each other electronically and access the database so as to support the work of the CRRPD Presidency and the Judicial Committees more effectively.
- Continue to refine and improve the database application.

**Ministerial Capacity Building**  
**Project Code: 06750**

\$ millions	FY 2006 by Quarter								
2207 Report	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
April 2006	-	-	20	-	-	-	20	-	-
Change from April	-	-		-	-	-	-	-	-
July 2006	-	-	20	-	-	-	20	-	-

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency: Department of State Iraq Reconstruction Management Office (IRMO) and USAID**

**Changes from the April Report:** This report maintains the \$20 million allocation in this project code. Ministerial Capacity Building will be implemented by both IRMO and USAID.

**Accomplishments since the April Report:**

- Developed ministry-specific scopes of work in close coordination with Iraqi ministry counterparts for the short-term National Capacity Development (NCD) program for contracting consideration.
- Held a budget retreat to support the Ministry of Finance's effort to improve Iraq's national budget preparation and execution processes as well as to support fiscal federalism. Over 100 provincial and ministry budget and accounting officials attended. All of the technical presentations made by expatriate experts were done by BearingPoint advisors working under USAID's Economic Governance II project. Topics included the Iraq Financial Management Information System (IFMIS), the Chart of Accounts for the IFMIS and Budget Process and Planning.
- Provided technical assistance to the Ministry of Planning's Inter-ministerial Committee for Procurement Reform. Mission's senior procurement consultant/lawyer was appointed



by the Ministry, as adviser to the Inter-ministerial Committee on the GOI's efforts to reform its procurement reform processes, another initiative to combat corruption in Iraq. Mission is coordinating its capacity building efforts with the World Bank. Developed comprehensive training program, meeting internationally accepted best practices on procurement reform, for GOI officials.

- Coordinated with the Prime Minister's Office and the Council of Ministers Secretariat on developing a capacity development program to improve the functioning of the central government, especially with regard to central government coordination with provincial governments as part of Iraq's goal of decentralizing governmental power and responsibilities.
- Developed a program with the Iraqi Chamber of Commerce to conduct English training for ministry employees.
- Issued a Request for Proposals (RFP) for the NCD contract and reviewed the proposals.
- Developed ministry diagnostic tools for use in assessing both urgent and long-term capacity building needs of key Iraqi Ministries with the support of the Ministerial Advisory Teams.

**Accomplishments anticipated next quarter:**

- Award contracts for short-term NCD program and begin implementation of programs in support of key ministries, such as Electricity, Oil, Finance, Water Resources, Planning, Municipalities and Public Works, Judiciary, Health, Education and Agriculture.
- Initiate capacity development programs for the Prime Minister's Office and the Council of Ministers Secretariat to improve inter-ministerial coordination and coordination between the central government and provincial governments.
- A Legal Assistance Team will be established to initiate programs to support the Government of Iraq's efforts to reform its legal framework in support of democratic and economic transition.
- Award and mobilize contract for the NCD Program using an initial \$5 million of NCD funds to support the training capabilities of Ministry of Planning's National Center for Consultations and Management Development.
- Complete diagnostics to determine urgent and long-term capacity building needs in the key ministries.



**Banking System Modernization**  
**Project Code: 08000**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	30	-	-	-	-	-	30	29	22
Change from April	-	-	-	-	-	-	-	+1	+4
July 2006	30	-	-	-	-	-	30	30	26

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** Departments of Defense and the Treasury

**Changes from the April Report:** This report maintains the \$29.1 million allocation for banking system modernization (Treasury) and \$900,000 for cash payment operations (Defense).

**Accomplishments since the April Report:**

- Obtained the agreement of the Minister of Finance and other components of the Iraq government on a strategy for restructuring state-owned banks.
- Established a Bank Resolution Group as a department of the CBI.
- Completed and submitted the bidding document for the telecommunications necessary to connect the CBI with participating bank headquarters.
- Completed user acceptance testing of the Automatic Clearing House (ACH) with Montran.
- Deployed payment system hardware from Dubai to Baghdad (CBI and backup site), tested.
- Demonstrated Romanian RTGS, ACH and GSRS operation for CBI delegation. Awaiting CBI completion of internal preparations before live implementation in Baghdad.

**Accomplishments anticipated next quarter:**

- CBI completion of incoming transaction analysis with their General Ledger supplier on how to manage certain classes of transaction which are delivered to the G/L by the RTGS; demonstration of RTGS and ACH systems in the same scenarios witnessed by the CBI delegation in Bucharest; live implementation.



- Complete training in Dubai on the GSRS (securities registry) module using the GSRS Initial Report and demonstrate the auction feature.
- Representatives from CBI, State banks and some private banks meet in Dubai to complete Check Processing Initial Report review.

### **Human Rights**

**Project Code: 09500a**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	15	-	-	-	-	-	15	15	11
Change from April	-	-	-	-	-	-	-	-2	-1
July 2006	15	-	-	-	-	-	15	13	10

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agencies:** Departments of Defense and State, USAID and USAID's Office of Transition Initiatives (USAID)

**Changes from the April Report:** This report maintains the \$15 million allocated to address the atrocities of the Saddam regime and create a climate for the promotion of fundamental human rights and dignity in Iraq.

### **Accomplishments since the April Report:**

#### **State/Democracy, Human Rights and Labor (DRL)**

- Supervised and assessed the performance of at least 120 primary care physicians on a psychiatric training curriculum focusing on treating post traumatic stress disorder and major depression due to torture and human rights violations.
- Provided ongoing supervision of 180 community mental health workers (CMHWs) to provide medical and mental health services for victims of torture and human rights violations and conduct performance evaluations of trained CMHWs.
- Provided counseling, psychiatric services and family education for at least 6,000 eligible clients during the quarter, to be assessed by sampling of clinic logs and through CMHW performance evaluations.
- Completed Module V of the medical assistant training curriculum on family and community education, begin development of Module V on substance abuse treatment for victims of human rights violations and begin development of Module VI on family violence.
- Implemented an assessment of the prevalence of anxiety and depression using Kurdish and Arabic versions of the Hopkins Symptom Checklist in Surani (Kurdish).



- Developed a transition plan and funding proposal to the World Bank to continue long-term training within the Ministry of Health and Ministry of Higher Education's Medical Institutes.
- Conducted bi-weekly jail monitoring visits of women and children in Kirkuk, Erbil and Sulaymaniya (sub-grant with Asuda).
- Provided health screening and direct medical care for more than 140 incarcerated women in Kirkuk, Erbil and Sulaymaniya (sub-grant with Asuda);
- Provided legal screening for 120 women and full legal representation for 25 women victims of gender-based persecution (sub-grant with Asuda);
- Continued documenting and responding to cases of human trafficking in Mosul, Kirkuk, Erbil and Suleymaniya and coordinate direct services for no less than 10 trafficking victim cases with the Ministry of Human Rights,
- Obtained Kurdistan Regional Government approval for resettling victims of trafficking in safe zones in northern Iraq.
- Increased Iraqi staff of the Iraq History Project (IHP) from 24 to 53. Current IHP staff includes 1 project manager, 3 supervisors, 1 data base entry manager, 38 interviewers and 10 database entry professionals.
- The International Human Rights Law Institute (IHRLI) expanded interviews of torture victims from Kurdistan to the center and south of Iraq, with staff in Amawa, Baghdad, Babel, Diyala, Hilla, Kirkuk, Mosul, Najaf, Nasiriyah and other sites.
- Project gathered 2,000 detailed interviews presenting detailed narratives with extensive information on violations, context, perpetrators and subjective experience.
- Compiled and prepared for analysis reports in Arabic, Kurdish and English on specific violations, patterns of violations and case studies to provide an historical record of the impact of the repressive activities of the prior regime.

## **USAID**

USAID's Office of Transition Initiatives has supported critical actions that build and sustain Iraqi confidence in the transition to a participatory, stable and democratic country through the Iraq Transition Initiative (ITI). Substantial progress has been made in terms of establishing laws and protecting human rights. The Iraqi government has determined that the main reason for continuing human rights abuses is that the citizens are not aware of and do not know the proper way of defending their rights. In response to such findings, ITI has supported a wide range of activities related to human rights and transitional justice that assist the Iraqi people in accounting for and moving beyond past atrocities and bolster participation in public life of women, youth, minorities, prisoners and the disabled. ITI has distributed \$769,843 via 21



grants qualifying for human rights activities. Allocations of the funding have gone to specific areas, including the establishment of Citizen Advice Bureaus, enhancing non-governmental organizations (NGOs), information campaigns and promoting civic dialogue. The OTI program exited Iraq June 30 following the completion of all close-out activities.

**Accomplishments anticipated next quarter:**

**State/Democracy, Human Rights and Labor (DRL)**

- IHRLI will complete over 4,000 detailed interviews of torture victims.
- IHRLI will enter 3,500 interviews into the secure Martus database.
- IHLRI will complete preliminary analysis and begin work on reports in Arabic, Kurdish and English.
- IHLRI will complete draft of one-year human rights course in Arabic and Kurdish, including syllabus, edited readings and participatory exercises.
- IHRLI will begin pilot university human rights courses at the Universities of Sulaymaniya and Erbil.
- IHRLI will continue human rights trainings for civil society organizations with focus on detention monitoring.

**Education**

**Project Code: 06300**

\$ millions	FY 2006 by Quarter								
	FY 04	FY 05	Q1	Q2	Q3	Q4	Total	Obligated	Outlayed
2207 Report									
April 2006	89	10	-	-	-	-	99	88	65
Change from April	-	-	-	-	-	-	-	-	+9
July 2006	89	10	-	-	-	-	99	88	74

NOTE: Obligation and Outlay Data is current as of June 28, 2006.

**Responsible U.S. Government Agency:** USAID and Department of Defense/PCO

**Changes from the April Report:** This report maintains the \$99 million allocated for education.

USAID's Education II (EDII) program activities were carried out in support of the Iraqi Ministry of Education (MOE) and designed to improve the quality and efficiency of Iraqi basic education programs. Through EDII, USAID provided institutional capacity building to the MOE at the central and Governorate levels including training of Ministerial Directors of



Finance, Budgeting and Accounting and covered principals of public finance, team leadership, strategic planning, roles and responsibilities, fiscal management and centralization vs. decentralization of authority. The project trained 39 Directorate of Education and Institute for Teacher Training and Educational Development (ITTED) staff in pedagogical innovations. Teacher training was provided to over 60,000 teachers, including primary and secondary teachers in pedagogy and in using enhanced teaching methodology for English as a Second Language, information and computer technology and science and pedagogical innovations. 84 Model Schools were rehabilitated and equipped with furniture including libraries, computer laboratories and science laboratories. In some instances additional classrooms were added for science labs and library. Rehabilitation of water and sanitation facilities at schools further supported efforts to improve the learning environment. To this end, 693 schools were rehabilitated and upgraded with latrines and water and sanitation facilities. 525,000 educational kits (containing shoulder bag, notebooks and school supplies) were distributed to Iraqi high school students in grades 10-12 at 2,244 high schools and 42 secondary schools. USAID also rehabilitated four teacher training centers and constructed 32 new primary schools to replace dilapidated mud-brick structures. In collaboration with the MOE, developed 13 five minute television programs intended for a pre-school audience and trained MOE staff in television production skills including animation, script writing, sound engineering and sound effects, flash MX, 2D animation and design. Activity booklets to enhance the concepts learned in television programs were distributed in Model School Kindergarten classes. Finally, USAID developed and installed in close collaboration with the MOE a web-based Education Management Information System (EMIS) that is accessible to Directorates of Education and provides for tracking and reporting of school administrative functions and student information. USAID/Iraq's education program ended June 30.

### **Accomplishments since the April Report:**

#### **USAID**

- Rehabilitated 8 model schools, supplied with libraries and science and computer laboratories. One of the schools was rehabilitated with the assistance of the military.
- Training was completed for over 14,433 model school and secondary school teachers in pedagogy, English as Second Language, science and information computer technology
- Deployed the EMIS system and trained MOE users for all 18 Governorates.
- Completed production of 13-part pre-school education television program. Printed and distributed 4,500 activity booklets through the model schools.
- Completed the Accelerated Learning Program and 14,000 students took the final examination

### **Accomplishments anticipated next quarter: Project Code closed out**